

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

January 17, 2007

The Idaho Transportation Board met at 8:30 AM, on Wednesday, January 17, 2007, at the Idaho Transportation Department, Boise, Idaho. The following principals were present:

Darrell V Manning, Chairman
John X. Combo, Vice Chairman – District 6
John McHugh, Member – District 1
Bruce Sweeney, Member – District 2
Monte C. McClure, Member – District 3
Gary Blick, Member – District 4
Neil Miller, Member – District 5
Pamela Lowe, Director
Sue S. Higgins, Secretary
Karl Vogt, Deputy Attorney General

Board Minutes. Member Sweeney made a motion to approve the minutes of the regular Board meeting held on December 13, 2006 as corrected. Member McHugh seconded the motion and it passed unanimously.

Board Meeting Dates. The following meeting dates and locations were scheduled:

February 20-21, 2007 – Boise
March 21-22, 2007 – Boise
April 18-19, 2007 – District 2

Consent Calendar. Member Miller made a motion, seconded by Member Sweeney, and passed unanimously, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the delay

ITB07-01 of the Snake River Bridge, West Bridge Street, Blackfoot, District 5 project to FY09 of the Statewide Transportation Improvement Program; removal of the Leadore Mining and Railroad Interpretive Center Enhancement, District 6, from the STIP; and revised Board Policy B-09-06, State Highway System Adjustments; and has received and reviewed the program and construction obligation graphs, monthly status reports; contract award information; administrative and legal settlements of right-of-way acquisitions; the annual report on the status of state-owned dwellings; and the November financial statement analysis.

1) Delay Snake River Bridge, West Bridge Street, Blackfoot, Key #8999, District 5, to FY09.

This project is to rehabilitate the substructure and deck spanning the Snake River on West Bridge Street in Blackfoot at a cost of \$773,000. The project cannot be made ready for construction in FY07. The Local Highway Technical Assistance Council and the City of Blackfoot request the delay of this project to FY09. The FY07 funds that would be made available with this delay would be used to cover additional development costs and overruns to other local projects.

2) Remove Leadore Mining and Railroad Interpretive Center Enhancement, Key #8913, District 6. This Enhancement Program project is to build a mining and railroad interpretive and community center in the City of Leadore at an estimated cost of \$337,000. The project was initially scheduled for completion in FY05; however, it was delayed the last two years and is currently in the FY07 Statewide Transportation Improvement Program (STIP). The City of Leadore is requesting removal of the project from the STIP due to financial concerns.

3) Revisions to Board Policy B-09-06, State Highway System Adjustments. The Board Subcommittee on State Highway System Adjustments recommends minor changes to Board Policy B-09-06. Membership of the Subcommittee is being revised to include three Board members: two permanent members with a third member appointed on a per meeting basis based on the agenda. Board members are to attend Subcommittee meetings when routes within their respective District are on the agenda. If the agenda only includes proposed adjustments to the highway system in a permanently appointed Board members' District, another member shall be appointed at large.

4) Program and Construction Obligation Graphs, Monthly Status Reports. As of December 31, approximately \$84 million had been obligated, or approximately 27% of the planned amount. The total amount obligated for construction projects was \$43.2 million. Project status reports were presented for all 2007 projects.

5) Contract Awards. Key #8493 – Yale Road, Cassia County, Stage 2, District 4. Low bidder: Western Construction Inc. - \$3,107,013

Key #9620 – US-20, Big Lost River Rest Area Reconstruct, District 6. Low bidder: H-K Contractors Inc. - \$1,756,002.

Key #8975 and #8976 – I-15, McCammon Interchange to South 5th Interchange, Pocatello, and McCammon and Inkom Business Loops, District 5. Low bidder: H-K Contractors Inc. - \$1,303,716.

Key #8889 – US-95, Lawyers Creek to Lauer Road, Lewis County, District 2. Low bidder: Valley Paving & Asphalt - \$1,203,435.

6) Administrative and Legal Settlements of Right-of-Way Acquisitions. From July 1, 2006 through December 31, 2006, the Right-of-Way Section processed 41 parcels. There were 13 administrative settlements and 8 legal settlements during this time frame.

7) Annual Report on Status of State-owned Dwellings. The status of the Department-owned buildings was presented, including information on the monthly rental fee, the fair rental amount, and rental status. The Department owns 10 houses, 3 bunkhouses, an apartment at Johnson Creek Air Strip, and 32 trailer pads.

8) November Financial Statement Analysis. Total federal aid revenue for November was 2%, or \$2.4 million, more than through November 2005, but when compared to current year projections is down 15%. Federal indirect cost recovery was \$16 million through the end of November. Revenue from the Highway Distribution Account was .85% less than projections while miscellaneous revenue was 6% ahead of projections. Expenditures were less than budgeted. In contract construction, the federal program was right on projections and the state program was behind spending projections by 20%.

Aviation fuel tax revenue through the end of November was 13%, or \$98,000, more than projections. Miscellaneous revenue was 11% higher than forecast. Minimal federal funds were received. Overall expenditures were less than budgeted.

In the GARVEE Capital Projects Fund, ITD requested \$7.1 million from bond proceeds. Expenditures were made on authorized projects; however, there was a difference between receipt of bond proceeds and expenditures due to timing of funds received and payments made. The monthly payments for state match in the GARVEE Debt Service Fund were \$173,969. The cash transferred into this Fund was \$688,000 and the disbursement out of the Fund through the end of November was \$869,846.

Board Items. Member Miller believes it is imperative to educate legislators and the public on the Department's financial situation. He does not believe the message regarding increased costs and decreased buying power is being heard. Although staff is working on an educational presentation, he encouraged the Board to support an aggressive public information campaign regarding the Department's funding. The consensus of the Board was to have staff develop an action plan to inform the public about the funding issues.

Member Sweeney said there had been earlier discussions about the lack of cell phone coverage in District 2, particularly along the Salmon River. He asked staff to revisit that issue, as he believes it is important to have communication capabilities throughout the state.

Yesterday Member McHugh attended the Senate Transportation Committee meeting. A number

of rules were on the agenda. During one discussion, he learned that ITD is assessed an annual fee of approximately \$200,000 for credit card transactions. He requested additional information, as this cost is of concern. Controller Dave Tolman responded that ITD accepts credit card payment for a number of fees charged and that ITD is assessed a fee on each transaction. In response to Member Blick's question on whether the Department can pass the cost on to its customers, Controller Tolman replied that most of the fee amounts are set in Idaho Code, so a legislative action would be required.

Chairman Manning suggested the Board review one or two policies at each meeting, partly as a reminder of all of the established policies and to ensure each one is current.

Director's Report. Director Lowe reported that a letter was sent to Idaho's Congressional Delegation last month with concerns on the FY07 federal appropriations process. Congress passed a continuing resolution through February 16, 2007, funding transportation at the FY06 level. There have been Congressional discussions to pass a year-long continuing resolution, presumably at the FY06 level. The letter expressed concern with this action, as the Safe, Accountable, Flexible, and Efficient Transportation Equity Act – a Legacy for Users' FY07 highway obligation levels are \$3.4 billion above the comparable levels in the FY06 appropriations bill.

Director Lowe provided a summary of the questions and comments heard at the legislative outreach meetings held throughout the state last month. The majority of the discussions focused on funding issues and the GARVEE Program.

Joint Finance and Appropriations Committee (JFAC) Presentation. Director Lowe provided copies of the proposed JFAC presentation. ITD is scheduled to appear before the Committee on February 8, 2007. The presentation will focus on the Department's scope, FY08 budget, transportation needs, revenue plan, and GARVEE Program.

Legislative Report. Budget, Policy, and Intergovernmental Relations Manager (BPIRM) Julie Pipal reported that the Department's administrative rules are proceeding through the process. She said proposed legislation is being discussed on a number of transportation topics, including Tribal fuel tax, expanding the routes allowed in the 129,000 pound pilot project, and weight distance tax.

Governor's Budget Recommendation. BPIRM Pipal summarized Governor Otter's FY08 budget recommendation. He is recommending continuing the GARVEE program by issuing bonds totaling \$264 million; however, he made no recommendation on which routes to be funded in the Program, and he stressed that the legislature should not identify those projects either. The Governor does not recommend approving the funding proposals until ITD has shown that it is operating efficiently. He does not recommend funding the change in benefit costs, general

inflation, salary equity adjustment, the Aeronautics equipment request, or the transfer of funds from the State Highway Account to the State Aeronautics Fund. He is recommending non-standard inflation on items beyond the normal inflation rate including paint, beads, asphalt, and fuel and also recommends a 5% change in employee compensation. The Governor's recommendation equals \$498,798,500, while the Department's request was for \$499,168,700.

Report to the Legislature on the 129,000 Pound Pilot Project. In 2003, the legislature approved the establishment of a 10-year pilot project on a limited number of Idaho state highways for the use of specially configured 129,000 pound gross axle weight trucks. BPIRM Pipal said one of the requirements was for ITD to report to the legislature on the impacts of the 129,000 pound trucks on safety, bridges, and pavement every three years. The first report is due by January 30, 2007. She presented the Department's findings, including: SH-24 was the highest utilized route, sugar beets was the most common commodity hauled, and companies participating in the pilot project noted economic savings. Impacts to safety, pavement conditions, and bridges were difficult to assess due to reasons such as the short time period to compare data and pavement preservation projects that have occurred on the routes.

Vice Chairman Combo made a motion, seconded by Member Sweeney, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Legislature passed House Bill 395 in 2003; and
ITB07-02

WHEREAS, the bill established a new 10-year pilot project on a small number of Idaho state highways for the use of specially configured 129,000 pound gross axle weight trucks; and

WHEREAS, the bill requires the Idaho Transportation Department to report to the Legislature on the impacts of the 129,000 pound trucks on safety, bridges, and pavement every three years during the pilot project, specifically no later than January 30 in the years 2007, 2010, and 2013; and

WHEREAS, ITD staff has presented to the Idaho Transportation Board the first required report due to the legislature no later than January 30, 2007.

NOW THEREFORE BE IT RESOLVED, that the Board does hereby approve the Three-Year Report to the 2007 Idaho Legislature on the 129,000 Pound Pilot Project and authorizes staff to present the report to the legislature.

Legislative Proposal: Administrative License Suspension (ALS) Commercial Driver's License (CDL) Driver Disqualification Periods. BPIRM Pipal summarized the Federal Motor Carrier Safety Administration's (FMCSA) intent to withhold a portion of ITD's federal-aid highway

funding due to its finding related to the Department's ALS program. As a result of the Board's action last month to proceed with legislation to address FMCSA's concerns with the ALS program related to CDLs, FMCSA's issuance of a non-compliance letter has been postponed. BPIRM Pipal proposed legislation to remedy the issue.

Member McClure made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Governor's Office has requested that state agencies submit proposed 2007 legislation

ITB07-03 to the Division of Financial Management for review and approval; and

WHEREAS, the Idaho Transportation Department Executive Team has approved the "Legislative IDEA Submittal Form" as to concept and has submitted it to the Idaho Transportation Board for review and approval prior to submission to the Division of Financial Management.

NOW THEREFORE BE IT RESOLVED, that the Board approves submittal of the "Legislative IDEA Submittal Form" for Commercial Drivers' License Administrative License Suspension Disqualification to the Division of Financial Management, and, upon its approval, authorizes submittal of the proposed draft legislation to the Division of Financial Management.

Contract Awards. Chief Engineer (CE) Steve Hutchinson said the low bid on STP-2006(024), key #9697 – Statewide Durable Pavement Markings, was more than ten percent over the engineer's estimate, was more than \$5 million, and exceeded the programmed amount, requiring Board approval. Upon review of the bids, it was determined the largest difference between the low bid and the engineer's estimate was with the recessed pavement markings item. This item is new to the Department and is more labor intensive to install than estimated. Increases in material costs and fuel have occurred since the final engineer's estimate was created and bids were opened. Bidding the project again will not likely result in reduced costs, and because the project will increase safety by allowing the markings to remain on the pavement for a longer period of time and through the winter months, staff recommends awarding the contract.

Vice Chairman Combo made a motion to award the contract on key #9697 to the low bidder: 3m Company, St. Paul, Minnesota - \$5,959,695.47. Member McClure seconded the motion and it passed unopposed.

The low bid on ST-6390(607), key #6504 – SH-75, Salmon River Bridge, West of Clayton, Custer County, District 6, was more than ten percent over the engineer's estimate, was more than \$5 million, and exceeded the programmed amount, requiring Board approval. CE Hutchinson

said the difference between the engineer's estimate and the low bid was in several items: Rem of Bridge, Excavation, Open Graded Rock Base, Prestress Stringer 1830 mm Beam, SP Bridge Dewatering Foundations, and SP Temporary Work Platforms. Staff believes several factors resulted in the bid exceeding the engineer's estimate, including: the contract time is for one construction season, resulting in higher labor costs and/or possible penalties; the sensitive environmental issues associated with the location of the project and the proximity to threatened and endangered species; the remote location, making housing for contractor personnel more difficult and expensive; and there is only one concrete supplier within reasonable distance to the project. Based on this analysis and because this was the second time the project was advertised, staff recommends approving the bid.

Vice Chairman Combo made a motion to award the contract on key #6504 to the low bidder: Morgen & Oswood Construction Company Inc., Great Falls, Montana - \$6,757,497.81. Member Miller seconded the motion and it passed unopposed.

New and Supplemental Professional Agreements Report. CE Hutchinson reported that the Consultant Administration Unit processed \$303,752 in professional, supplemental, and term agreements from November 29 through December 31, 2006.

Erecting Geological Information Signs at Rest Areas and Other Locations. At an earlier meeting, Vice Chairman Combo mentioned that the State of Montana has erected a number of geological information signs to inform travelers of the various geology in the area. He asked staff to consider establishing a similar program in Idaho. Assistant Chief Engineer – Operations Greg Laragan reported that there are currently 11 sites on the state highway system that are signed as Geologic Sites and included in the Historical Marker sign program. Additionally, a number of sites listed in the Idaho Highway Historical Marker Guide that are signed as Historic Sites could be considered Geologic Sites. Although Montana's signs have been posted at rest stops, parking areas, and pullouts along the highways, none of Idaho's geology-related signs are located at rest areas, but could be incorporated into rest area projects where suitable. In the meantime, Districts could install geological information signs at safety rest areas and other locations as funds become available or by adjusting their budgets. The cost to erect a geological information sign is estimated between \$1,500 and \$2,000.

Vice Chairman Combo provided additional information on Montana's program and on the book "Roadside Geology of Idaho". He commented that the Department, in partnership with the Idaho Historical Society, has developed a good historical marker guide for the state, but commented that no responsible party has been identified for geology. He encouraged Public Affairs Officer Jeff Stratten, who has oversight of the Idaho Highway Historical Marker Guide, to contact his associates to discuss the issue further.

All-Terrain Vehicle (ATV) Crossings. Highway Operations and Safety Engineer (HOSE) Brent Jennings said changes to Idaho Code allow the Department to designate locations on state highways where unlicensed ATVs and motorcycles may cross. Because the crossings are to be at locations that tie into recognized trail systems, staff has been working closely with the Idaho Department of Parks and Recreation (IDPR) on establishing the procedures for these crossings. The intent is have entities complete forms requesting approval of crossing locations, ITD and IDPR will consult on the request, and then notify the entity of the decision. If a crossing is approved, costs associated with signing the route at the designated crossing point outside of the highway right-of-way will be the responsibility of IDPR, while the signs within the highway right-of-way will be the responsibility of ITD. If the request is denied, an explanation as to why the proposal was unacceptable will be provided to the entity.

Member Miller expressed concern with safety, as youth often drive these recreational vehicles, but do not have the judgment and experience that older drivers have.

Vice Chairman Combo suggested that DAG Vogt review the issue and provide an opinion.

In response to Member Sweeney's question on accident history at crossings, HOSE Jennings replied that no research has been completed on accidents.

Member McHugh asked why the requesting entity is not responsible for the cost of the signs. HOSE Jennings responded that ITD provides other, similar signs, such as pedestrian crossing signs, so it is recommended that the Department be responsible for these signs to be consistent.

Member Blick expressed concern with liability, particularly if a sign is removed.

Member Sweeney made a motion to table the item. Member Miller seconded the motion and it passed unanimously. (See later minute entry.)

Delegation – City of Island Park. Island Park Mayor Tom Jewell spoke in support of allowing ATVs to cross state highways legally in Island Park. He said the city's main street, US-20, is approximately 34 miles long. Tourism is the area's main industry and ATVs are very popular for recreational use. Now, ATVs are crossing the highway at numerous locations illegally. Mayor Jewell emphasized the need to make crossings legal and to control the crossings by designating specific sites. He added that there are numerous entities and businesses that have provided letters of support for the legal crossings.

Member Blick reiterated his concern with the Department's liability if signs are removed. He questioned the feasibility of ITD providing signage at city limits, but then the local entity would be responsible for signs within the city.

Vice Chairman Combo commented that the crossings are for unregistered recreational vehicles and asked about those that are registered. Mayor Jewell said that stickers and license plates are available for off-road vehicles that meet certain requirements, such as equipped with turn signals. Those vehicles can cross legally. The legislation was to address vehicles that do not meet the requirements and are not registered.

BPIRM Pipal stated that the Department has been working with IDPR for about three years on this issue. IDPR has a 450-mile trail that is disconnected due to highways. The intent is to make crossing a state highway on an off-highway vehicle legal. In developing the procedures, staff has focused on safety. She added that ATVs have grown considerably in popularity the past several years.

DAG Tim Thomas summarized the purpose of the legislation: to allow unlicensed, unregistered recreational vehicles to cross highways legally.

In response to Member Sweeney's question on whether the Department provides signage for snowmobile crossings, HOSE Jennings responded that a different statute addresses snowmobiles. Those crossings are allowed by local ordinance. Member Sweeney asked who authorizes snowmobile crossings. Mayor Jewell believes IDPR has that authority.

Because of Member Blick's concerns with safety, he suggested allowing the off-highway vehicle crossings via ordinance. DAG Vogt responded that Idaho Code authorizes the Board to establish the procedures and identify locations for the crossings. Member McClure believes ITD should maintain control. Vice Chairman Combo concurred and said it is the Board's obligation to meet the requirements of the legislation. He believes the Department can minimize the chance of accidents if it controls the crossing procedures.

Member Miller reiterated his initial concern that the Department's mission is to safely and efficiently move traffic. He also has concerns with crossings occurring illegally now and believes there are liability issues that should be addressed.

Without objection, the Board revisited the proposed resolution prepared by staff on this topic.

Member McClure made a motion, seconded by Vice Chairman Combo, to approve the following resolution:

RES. NO. WHEREAS, the Idaho State Legislature has passed legislation authorizing the Idaho Transportation

 ITB07-04 Board to designate sections of the state highway system where
unregistered all-terrain vehicles and motorcycles will be allowed to cross state

highways in conjunction with a designated recreational trail route; and

WHEREAS, this effort is proceeding in partnership with the Idaho Department of Parks and Recreation, which will be responsible to give consultation and advice to the Idaho Transportation Department regarding recreational trail routes, appropriate signing, and mapping; and

WHEREAS, this effort will provide economic benefit to the local communities, associated businesses, and industry.

NOW THEREFORE BE IT RESOLVED, that the ITD Director is authorized to proceed with full implementation of operational procedures necessary to implement Idaho Code Section 49-426.

Member McClure emphasized that ITD will work with all affected parties and that not all crossing requests have to be approved. Safety will be a determining factor. Vice Chairman Combo added that Idaho Code authorizes the Board to oversee these crossings.

The motion passed 4-2 with Members Blick and Sweeney dissenting.

Dean Sangrey, Operations Division Administrator, IDPR, expressed appreciation for the Board's dialogue. He stated that the IDPR Board supports this issue. He added that safety is a major concern. Recreational use of ATVs has been growing extensively and procedures are needed to address safety and to connect the trail systems.

Delegation – City of Boise. Boise City Councilmember Elaine Clegg invited the Board members to participate in several meetings related to the 30th Street Specific Area Plan. The plan is intended to include an in-depth study of land use and multimodal transportation opportunities connected with the extension of 30th Street in Boise. The plan is to be developed using information from an economic study, traffic analysis, and input from a public outreach process. A visioning workshop is planned on January 30, a design charrette from February 12 through 16, and an open house on March 12.

Director Lowe said staff has been working with the City of Boise and Ada County Highway District (ACHD) on the 30th Street project, as the project may impact ITD's Headquarters' campus.

Member McClure commented that the Board has not provided any direction to staff. Several discussions have been held on the 30th Street project, including an update from staff last month. He suggested developing a master plan of the Headquarters' property.

Vice Chairman Combo emphasized that no commitments have been made regarding the 30th Street proposal. Councilmember Clegg said she understands that no commitments have been made. She encouraged the Board to explore possibilities for ITD's facilities and land use options.

Member Miller expressed support to work cooperatively with the local entities on this issue and to consider various options.

Chairman Manning thanked Councilmember Clegg for the invitation to participate in the upcoming meetings and for her comments regarding the 30th Street project.

Executive Session on Legal and Personnel Issues, Section 67-2345, Idaho Code. Member McClure made a motion to meet in executive session at 11:30 AM to discuss legal and personnel issues. Member Sweeney seconded the motion and it passed 6-0 by individual roll call vote.

A general discussion was held on legal issues related to Coeur d'Alene Lake Drive, access and right-of-way, and operations of the state highway system.

A general discussion was held on personnel issues related to hiring a public officer.

The Board came out of executive session at 12:10 PM. No final actions or decisions were made.

Old/New Business. Member McClure made a motion to instruct staff to develop a master plan for the ITD Headquarters' campus. Member Miller seconded the motion.

Vice Chairman Combo expressed concern that the consultant, CH2M Hill, has been involved in consultation projects related to the 30th Street project for both ITD and ACHD. Member McClure believes one consultant doing projects for both entities is advantageous as it results in familiarity and should be more efficient. He believes the Department should have a plan for the Headquarters' campus before making recommendations related to the 30th Street project.

The motion passed unopposed.

Chairman Manning asked the Board for its comments on the meeting agenda. In general, Vice Chairman Combo believes the consent calendar is over used. He suggested some items should be discussed rather than approved as a block. Member Sweeney added that it may be appropriate to remove the financial statement from the consent calendar, particularly with Member McHugh leaving the Board, as the Board relied on his financial expertise on financial matters.

Member McClure supports reviewing one or two policies at each meeting to ensure the policies

are essential and up-to-date. Member Miller added that he supports reviewing the written report Chairman Manning prepared last year addressing non-personnel issues.

Member Sweeney made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, Frank Bruneel responded affirmatively when asked by the Governor of Idaho to serve
ITB07-05 as chairman of the Idaho Transportation Board during a period of significant transition; and

WHEREAS, Chairman Bruneel willingly set aside retirement from public service and private enterprise to assume the volunteer position; and

WHEREAS, Chairman Bruneel played an instrumental role in shaping the FY07 Statewide Transportation Improvement Program, the FY08 budget and the 2007 legislative package, and in identifying a new director for the Idaho Transportation Department; and

WHEREAS, Chairman Bruneel went beyond reasonable expectations to represent the Board and Transportation Department publicly throughout the state; and

WHEREAS, Chairman Bruneel's tenure concluded in December 2006:

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board publicly commends Mr. Bruneel for his outstanding leadership and extends its deepest appreciation for his service to the Board, the Department and citizens of Idaho.

Member Sweeney made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board called upon former Idaho Transportation Department Director
ITB07-06 Dwight Bower to return in September 2006 to lead the Department during a period of significant transition upon the retirement of Director Ekern; and

WHEREAS, Mr. Bower willingly set aside retirement from public service and a position in the private sector to assist the Board and Department during the transition; and

WHEREAS, Mr. Bower played an instrumental role in operations of the Department, particularly in forming the Department's FY08 budget request and establishing the

GARVEE Program Office; and

WHEREAS, Mr. Bower went well beyond reasonable expectations to represent the Transportation Department publicly throughout the state; and

WHEREAS, Mr. Bower's tenure concluded on January 12, 2007.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board publicly commends Mr. Bower for his outstanding leadership and extends its deepest appreciation for his service to the Board, the Department, and citizens of Idaho.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 12:25 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
February 21, 2007
Boise, Idaho

WORKSHOP AND REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

February 20-21, 2007

The Idaho Transportation Board met at 8:30 AM, on Tuesday, February 20, 2007, at the Idaho Transportation Department, Boise, Idaho. The following principals were present:

Darrell V Manning, Chairman
John X. Combo, Vice Chairman – District 6
James Coleman, Member – District 1
Bruce Sweeney, Member – District 2
Monte C. McClure, Member – District 3
Gary Blick, Member – District 4
Neil Miller, Member – District 5
Pamela Lowe, Director
Sue S. Higgins, Secretary
Karl Vogt, Deputy Attorney General

Chairman Manning welcomed James Coleman to the Board as the recently-appointed member from District 1.

GARVEE Program Review. GARVEE Program Administrator Nestor Fernandez summarized the Board-approved GARVEE Work Plan, outlining the \$200 million 2006 bond allocation and the requested \$264.2 million 2008 request. He reviewed the status of every project in the Program. Through January, just over \$10 million had been expended, but by Fall 2007, \$188 million is anticipated to be expended or committed. A summary of the 2006 bonds by function are: construction - \$116 million or 55%, project development - \$44 million or 20%, right-of-way acquisition - \$33 million or 16%, Program Manager - \$18 million or 8%, and ITD program administration - \$2 million or 1%.

FY08-12 Highway Capital Investment Program Guidelines. Manager, Transportation Investments (MTI) Dave Amick said the available funding for restoration and expansion projects is declining. Contributing factors include no increases in federal funding are projected beyond FY09 and a 15% increase is anticipated in costs for state highway projects in FY07-11. He provided historical information on the key state highway programs: preservation, bridge, and restoration and expansion. Approximately 15% of the Department's lane miles were deficient in 2001; however, the percentage of deficient lane miles has increased approximately 1% since then, partly due to inflation, and is now at 20%. Staff believes preservation of the existing system is critical and that in addition to the pavement and bridge preservation programs, \$35 million is needed annually for restoration projects.

After subtracting money for commitments such as GARVEE debt service, pavement preservation, local allocations, and federal designations like Safe Routes to School and the Enhancement Program, MTI Amick estimates \$42 million will be available for restoration and expansion projects in FY09. That assumes full spending authority, or 100% obligation authority. Based on the above commitments plus an assumption of 86.3% obligation authority combined with declining state funds for construction, there will be no funding available for expansion projects starting in FY12. He provided recommendations for developing the FY08-12 Highway Capital Investment Program and requested Board guidance on funding issues, including the annual funding level for the Rest Area Program. See later minute entry.

Safety Rest Area Program. Highway Operations and Safety Engineer Brent Jennings provided a history of the Safety Rest Area Program. He noted the Board's creation of the Rest Area Program in 2004 at a \$10 million annual level with the intent to construct two new safety rest areas every four years and achieve a 20-year rehabilitation and 40-year reconstruction cycle. He stated that a program manager was hired because current staffing levels were insufficient to handle this work load, the rest area facility design and construction is different from the road and bridge projects, and staff was not experienced with facilities program management.

Jeff Peacock, Parametrix, elaborated on the program manager's responsibilities. During the past year, some of the focus areas have been to get rest areas designed and constructed; seek additional opportunities to leverage funding through long-term, multi-agency and/or private sector partnerships; explore alternative delivery methods to expedite project delivery, such as design-build; and reduce costs. Current challenges are to manage the program schedule, finance, and partnership discussions and to evolve the Program to align with the vision.

Dyan Bevins, Parametrix, summarized the vision for the program, including development of an information systems web-site accessible to project teams and others throughout ITD and partially accessible by the public; development of a statewide interpretive plan to share the "Idaho Story" by integrating rest area information with other statewide traveler and tourism information related to Idaho's heritage and recreational opportunities; assessment of newer technologies in use by other states related to alternative energy sources, sustainable design, alternative wastewater treatment facilities, implementation of WIFI at major rest areas, and other items; and explore alternative delivery methods to expedite project delivery. An overview of a Rest Area Program funded at \$5 million annually and \$10 million annually was provided, along with individual snapshots for each facility at both funding levels.

Extensive Board discussion occurred throughout the presentation. Some of the comments focused on the concern with expanding the Rest Area Program when funding is insufficient to maintain

the existing facilities; concern that the Program may be eliminated or greatly reduced due to insufficient funding; an emphasis to explore partnerships with the private sector; and developing an overall plan to address locations of rest areas and ensure facilities are open year-round. See later minute entry.

WHEREUPON the workshop recessed at 2:50 PM.

February 21, 2007

The Board reconvened at 8:30 AM on Wednesday, February 21, 2007, in Boise, Idaho. All members were present.

Election of Vice Chairman. John X. Combo nominated Bruce Sweeney to serve as Vice Chairman of the Board. Member Blick recommended the nominations cease. There were no objections. Bruce Sweeney was elected vice chairman by unanimous voice vote.

Board Minutes. Member Blick made a motion to approve the minutes of the regular Board meeting held on January 17, 2007 as submitted. Member Miller seconded the motion and it passed unanimously.

Board Meeting Dates. The following meeting dates and locations were scheduled:

March 21-22, 2007 – Boise

April 18-19, 2007 – District 2

Consent Calendar. Without objection, the Board concurred to pull the Annual Rest Area Planning Map and Improvement Program List from the consent calendar and to discuss the item under Old Business.

Member Blick made a motion, seconded by Member McClure, and passed unanimously, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the designation of

ITB07-07 direct recipient of Job Access Reverse Commute and New Freedom transportation funds; appointment of Public Transportation Advisory Council member, District 5; FY07 Federal Scenic Byway discretionary funding request; revisions to Board Policy B-09-06, State Highway System Adjustments; professional agreement for construction staff augmentation services by Kleinfelder Inc., I-84, Franklin Road Interchange, District 3; and I-84, Karcher Interchange, District 3, inverse condemnation settlement; and has received and reviewed the contract award

information and program and construction obligation graphs, monthly status reports.

1) Designation of Direct Recipient of Job Access Reverse Commute (JARC) and New Freedom Transportation Funds. The Federal Transit Administration (FTA) provides financial assistance to the Governor of each state to fund several public transportation programs. Each Governor is asked to designate a state agency to oversee and administer these programs. Two new programs, JARC and New Freedom require a designated recipient to be responsible for conducting the competitive selection process, awarding grants to subrecipients in cooperation with the Metropolitan Planning Organization and that funds are used as provided under the applicable federal statutes. To comply with FTA regulations, staff recommended that Valley Regional Transit Authority be the designated recipient for JARC and New Freedom funds for projects operating within the Boise urbanized boundaries. Additionally, staff requested that ITD, acting through the Division of Public Transportation, be the designated recipient of these funds for small urbanized and nonurbanized areas.

2) Appointment of Public Transportation Advisory Council (PTAC) Member, District 5. Public Transportation staff has been seeking applications for a new PTAC member to represent District 5. The vacancy on the Council was advertised in area newspapers, local elected officials were notified in writing, and state agency members of the Interagency Working Group were notified. Staff recommended the appointment of Steve Hadley to the Council to complete the term previously held by Walter Ross, which will expire in June of 2008. Mr. Hadley is currently a Bannock County Commissioner.

3) FY07 Federal Scenic Byway Discretionary Funding Request. Staff requested Board approval to submit ten projects to FHWA for FY07 Federal Scenic Byway Discretionary funding. Funding is available on a nationally competitive basis for routes that have been designated as a state scenic, historic, or backcountry byway as well as All American Roads (AAR) and National Scenic Byways (NSB). The list of projects totals \$1,505,864:

1. International Selkirk Loop AAR Corridor Management Plan (CMP) implementation	\$ 25,000
2. Payette River NSB CMP implementation	\$ 25,000
3. Western Heritage NSB CMP implementation	\$ 26,800
4. Northwest Passage AAR CMP implementation	\$ 25,000
5. Teton Scenic Byway visitor center	\$660,742
6. International Selkirk Loop AAR video/birding tours	\$ 63,022
7. Sawtooth Scenic Byway overlook	\$200,000
8. Northwest Passage AAR kiosk	\$ 34,300
9. Mesa Falls Scenic Byway retaining wall	\$ 18,000
10. Top Ten Scenic Drives marketing	\$428,000

4) Revisions to Board Policy B-09-06, State Highway System Adjustments. The Board approved minor revisions to B-09-06 last month; however, there was an oversight and an FHWA representative should have been added as an ex-officio member of the Board Subcommittee on State Highway System Adjustments. Staff requested approval of the revised policy with the inclusion of the ex-officio member.

5) Professional Agreement for Construction Staff Augmentation Services by Kleinfelder Inc., I-84, Franklin Road Interchange, Caldwell, Key #7795, District 3. Staff requested the award of a professional services contract to Kleinfelder Inc. for \$1.2 million. The contract for the I-84, Franklin Road Interchange project was awarded to Concrete Placing Company with construction beginning in December 2006. Based on the current construction schedule, completion is anticipated in September 2008. Considering current and anticipated workloads for the upcoming construction season, District construction personnel cannot adequately cover inspection and testing for this project. District 3 solicited proposals for staff augmentation. The negotiated cost of the agreement is over \$1 million, requiring Board approval. Based on the unavailability of state personnel to cover the contractor's schedule, ITD proceeded with the augmentation contract in good faith to ensure that the current contractor operations were covered.

6) I-84, Karcher Interchange, Key #3214, District 3, Inverse Condemnation Settlement. Prior to the reconstruction of the Karcher Intersection, the Fearless Farris/Stinker Station had full frontage with access from SH-55. Due to the construction of the I-84, Karcher Interchange, access was eliminated from SH-55 and replaced with access at the back of the parcel from Cassia Street. This realignment left a .21 acre landlocked parcel between the service station and realigned state highway. Because of the elimination of access from SH-55, the business could no longer operate and was closed. The owner filed an inverse condemnation suit against the state claiming business damages based on the change of access. Staff requested approval to settle for \$350,000 plus the transfer of the adjoining .21 excess right-of-way parcel to the plaintiff in exchange for plaintiff's agreement to dismiss with prejudice the action filed including all interest, attorney fees, costs, and the business damages claim.

7) Contract Awards. Key #7979 – Sunnyside Road, Idaho Falls, District 6. Low bidder: H-K Contractors, Inc. - \$10,220,565.

Key #8353 – US-95, Lapwai to Spalding, District 2. Low bidder: Poe Asphalt Paving Inc. - \$1,795,696.

Key #8881 – US-95, Award Bridges, Idaho County, District 2. Low bidder: C L Heilman Company - \$276,291.

Key #8949 – I-84, Joint Replacement, Various, District 3. Low bidder: Trinity Construction Inc. -

\$363,710.

Key #9320 – City of Rocks Backcountry Byway Stage 2, Cassia County, District 4. Low bidder: Gale Lim Construction Inc. - \$3,559,033.

Key #9445 – I-90, Wallace to Interchange 68, District 1. Low bidder: Interstate Concrete & Asphalt Company - \$2,488,642.

Key #9388 – SH-87, Junction US-20 to Montana State Line, District 6. Low bidder: H-K Contractors Inc. - \$1,726,292.

The low bid on Key #9159 – 7th Avenue, West Gooding, District 4 was more than ten percent over the engineer's estimate, requiring justification. Five bid items created the bulk of the difference between the engineer's estimate and the low bids: concrete sidewalk, survey, urban approaches, concrete block wall, and clearing and grubbing. Escalating concrete cost is a factor. Two Lump Sum items were also extremely high. Lump sum items are difficult to quantify and largely depend on the overall size of the project; therefore, the Average Unit Price Report may not be a good indicator of the true cost. The City of Gooding, the project sponsor, is willing to accept the bid and pay the additional match required for the increased federal aid limit. Low bidder: Braun-Jensen Inc. - \$355,000.

8) Program and Construction Obligation Graphs, Monthly Status Reports. As of January 31, approximately \$77.5 million had been obligated, or approximately 27% of the planned amount. The total amount obligated for construction projects was \$46.8 million. Project status reports were presented for all 2007 projects.

Director's Report. Director Lowe reported that the Joint Finance and Appropriations Committee will set the Department's budget at its March 2 committee meeting.

At the national level, Director Lowe said a continuing resolution for the remainder of FY07 at the SAFETEA-LU FY07 transportation appropriations level is expected from Congress.

The Department is submitting one SEP-15, or special experimental project, application to the U. S. Department of Transportation for consideration. One part of the application relates to the Connecting Idaho Partners acting as ITD's agent, another part would expedite the final design process, and the last part is to acquire right-of-way in advance of finalizing environmental documents.

In conclusion, Director Lowe said staff is beginning coordination efforts for the 2009 Special Olympics World Winter Games that Idaho will be hosting. Most of the games will be conducted

in the Boise area and at Tamarack Resort. The number of athletes, trainers and family members is expected to be 10,000 plus numerous spectators and support services. Additionally, the 2008 Western States Police and Fire Games will be held in August 2008 at venues throughout the Treasure Valley. An estimated 5,000 to 6,000 competitors are expected to participate in those games, resulting in the need for ITD to coordinate with various entities on transportation issues.

Legislative Report. Budget, Policy, and Intergovernmental Relations Manager Julie Pipal reported on legislative activities. Both the House and Senate have passed the Department's proposals on: 97-foot saddlemount combinations, temporary vehicle clearance fee waiver, refund of vehicle registration fees, permanent registration option for trailers, and prohibit issuance of restricted driving permits. Several of the Department's revenue plan proposals have been printed. She added that the Legislature has passed a memorial urging members of Idaho's congressional delegation to support measures to repeal the Federal REAL ID Act of 2005.

Policy Review. Motor Vehicle Administrator (MVA) Alan Frew said Board Policy B-30-01, Dealer Advisory Board (DAB) Activities, was last reviewed and signed in 1991. He summarized the Board and corresponding Administrative policies that relate to the activities of the DAB. He recommended revising the policies to conform with current code and practices, presenting the revisions to the DAB for its review and approval, and then presenting the revised policies to the Board for approval. There were no objections.

MVA Frew also reviewed B-30-02, Authority to Sign Agreements, Compacts, or Arrangements with Other States on Behalf of Idaho, which was signed in 1992. He also recommended revising the Board and corresponding Administrative policies to reflect current organizational structure and responsibilities. The Board concurred with the recommendation.

Communication Plan. Public Information Officer (PIO) Jeff Stratten acknowledged the importance of providing timely and accurate information about the Department's challenges, such as the increasing demands on the transportation system as the state's population and economy continues to grow while revenue has not increased sufficiently to address the needs or keep up with soaring construction and maintenance costs. Educating public and private sector partners and ITD employees is critical. PIO Stratten outlined a communication plan with strategies for openness and accessibility, truthfulness, responsiveness, transparency, and engagement. Staff's intent is to focus on the legislature, the Department's advisory boards and transportation groups, the Forum on Transportation Investment, and ITD employees. Some of the tools being proposed are PowerPoint presentations, newsletter articles, in-person discussions, and the ITD website. Additional information will be provided as the plan is finalized and implemented.

Member Blick suggested focusing on smaller audiences, such as highway district commissioners rather than the larger Association of Highway Districts. Member Miller added that the District

Engineers should be encouraged to actively participate in the campaign. He commented that District 5 Engineer Ed Bala is proactive in meeting with local elected officials in the District and could be a valuable resource.

Chairman Manning thanked PIO Stratten for his efforts on the communication plan.

December 2006 Financial Statement Analysis. Controller Dave Tolman reported that total federal aid revenue for December was 4%, or \$6.7 million, more than through December 2005, but when compared to current year projections is down 13%. Federal indirect cost recovery was \$17.7 million through the end of the first half of the fiscal year. Revenue from the Highway Distribution Account was 1.5% less than projections while miscellaneous revenue was 5% ahead of projections. Expenditures were less than budgeted. In contract construction, the federal program was right on projections and the state program was behind spending projections by 23%.

Aviation fuel tax revenue through the end of December was 12.5%, or \$108,000, more than projections. Miscellaneous revenue was 13% higher than forecast. Minimal federal funds were received. Overall expenditures were less than budgeted, according to Controller Tolman. Member McClure questioned the trend in increased aviation fuel tax revenue, as last year the revenue was below projections. Controller Tolman replied that fluctuations occur from year to year and staff is monitoring this fund closely.

In the GARVEE Capital Projects Fund, ITD requested \$8.6 million from bond proceeds. Expenditures were made on authorized projects. Controller Tolman noted that the balance of bond proceeds held in trust by Wells Fargo of \$194 million must be paid out by May 2009. He added that the monthly payments for state match in the GARVEE Debt Service Fund were \$173,969. The cash transferred into this Fund was \$688,000 and the disbursement out of the Fund through the end of December was \$1,043,816. Member Miller asked if mechanisms are in place to comply with the Internal Revenue Services' requirement that the 2006 bond proceeds must be expended by May 2009. Director Lowe replied that the GARVEE Program is getting established and staff anticipates expending the majority of the 2006 funds by this Fall. She emphasized the Department's commitment to expend all available GARVEE funds. In response to Member Coleman's request for clarification on expending GARVEE funds, Controller Tolman replied that the GARVEE proceeds have to be spent on one of the identified corridors. Money can be moved within the corridors but cannot be spent on projects that were not included in the corridors outlined in the legislation.

Annual Report on Equal Employment Opportunity (EEO) Program Activity. Equal Employment Opportunity Manager (EEOM) Karen Sparkman provided an overview of the EEO activities in 2006. Title VI activities included posting information on the Department's web page, developing a new limited English proficiency plan, and providing training. Joint FHWA/ITD pedestrian

accessibility reviews were conducted for compliance with the Americans with Disabilities' Act. As of September, there were 206 Disadvantaged Business Enterprise (DBE) firms. During the year, 22 new firms were certified, 8 were denied certification, and 16 lost certification. EEO contract compliance activities included training, audits of records and processes to ensure compliance, and reviews on contractors.

EEOM Sparkman also provided an update on the disparity study. There are no DBE goals on new projects, statistics on ITD contractors and subcontractors are being gathered, a preliminary report is expected in June, public hearings will be conducted, and then the final report is expected in November.

Chairman Manning thanked EEOM Sparkman for the informative presentation.

Wellness Program Annual Report. The Wellness Program began in 1992 with a grass roots employee effort and the added support from the Board, according to Statewide Resource Coordinator Pauline Davis. She said the Program, overseen by volunteers, has evolved to offer employees convenient health services, monitoring equipment, motivation, and educational resources for preventive health care. She summarized the 2006 activities, including a spring exercise challenge; on-site health clinics; a presentation on West Nile Virus in District 6; on-site mammography clinics at Headquarters and Districts 4 and 5; and an on-site "Cardio Quick" health screening with options to test bone density, cholesterol, thyroid, liver, diabetes, and more in District 1. Ms. Davis mentioned that efforts are underway for the 2007 spring exercise challenge. The Wellness Council continues to look for ways to improve employee wellness, keep health care costs low, motivate staff to be active, and for employees to better monitor their physical condition.

Member Combo commended the volunteers who have made this program successful. He has seen the program grow over the years and expressed continued support for the program. Chairman Manning thanked Ms. Davis for the annual report.

New and Supplemental Professional Agreements Report. Chief Engineer Steve Hutchinson reported that the Consultant Administration Unit processed \$1,875,720 in professional, supplemental, and term agreements from January 1 through January 31, 2007.

Addition of I-90, Beck Road Interchange, District 1, to the FY07 STIP. District 1 Engineer (DE) Scott Stokes said a proposal is underway to develop the area around Beck Road and I-90 in Post Falls. Financing of a new I-90 interchange to access the development is being considered by private entities with future reimbursement from the state's sales tax. A legislative proposal, Sales Tax Anticipation Revenue (STAR), would allow for an innovative demonstration project to provide partial reimbursement of private funding of an interchange project with future sales tax

reimbursements by the state. DE Stokes requested the addition of the I-90, Beck Road Interchange to the FY07 STIP, to be funded by the private sector with no ITD funds involved, contingent on the STAR legislation passing and also FHWA approval of the access request.

In response to Member Sweeney's question on the status of the legislative proposal, Roger Sieber, CapitolWest Public Policy Group, responded that minor changes are being made. It will be heard in the House Revenue and Taxation Committee. Although the legislation did not pass last year, he is optimistic that there is sufficient support for it this year.

Member Blick expressed concern that the project may be started but not completed. He questioned the procedures to ensure completion. Mr. Sieber said benchmarks will be required. The private sector has completed a full economic analysis and is committed to the project.

Member Miller asked for assurance that the legislation includes a hold harmless clause for the Department. Mr. Sieber explained the legislative proposal, which commits a percentage of the sales tax from the Beck Road area to repay the costs of the interchange project. The Tax Commission is charged with this responsibility. DAG Vogt added that the legal staff has reviewed the proposal and although he cannot specifically answer the question on the hold harmless clause, he believes the intent of the language is good.

Member Combo made a motion, seconded by Member Miller, to approve the proposed resolution with a revision to emphasize that the project will be removed from the STIP if the STAR legislation is not passed this year or a funding agreement is not forthcoming.

Senator Jim Hammond acknowledged the Department's funding concerns and believes creative solutions are needed to address the transportation needs. This project is also valuable for the economy and he encouraged the Board's support. He believes that the development of the area will not occur without the interchange and expressed concern with removing the project from the STIP if the STAR legislation is not approved this year.

Without objection, the Board concurred to amend the resolution as follows:

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department to publish and accomplish

ITB07-08 a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal, state, and private highway funding; and

WHEREAS, pending construction of a four anchor store commercial development,

including a Cabela's retail facility along with other tenants like Home Depot, Lowe's Home Improvement, etc. near Beck Road and I-90 in Kootenai County will substantially increase congestion; and

WHEREAS, the safe and efficient movement of people and goods on I-90 is both nationally and regionally significant to interstate commerce; and

WHEREAS, the Kootenai Metropolitan Planning Organization (KMPO) supports and has included an I-90 interchange at Beck Road in its Long Range Plan; and

WHEREAS, the District estimates the total cost of an I-90 interchange at Beck Road to be \$40 million; and

WHEREAS, neither the Department nor the KMPO have sufficient funds to construct such an interchange in the near future; and

WHEREAS, State Tax Anticipation Revenue (STAR) legislation is to be introduced to the Legislature, which will allow an innovative demonstration project to provide partial reimbursement of private funding of interchange construction projects with future sales tax reimbursements by the State; and

WHEREAS, preliminary discussion with CapitolWest Public Policy Group and Foursquare Properties indicates a willingness on their part to utilize such legislative provisions to finance in its entirety the design, right-of-way acquisition, and construction of an I-90 interchange at Beck Road; and

WHEREAS, regionally significant projects are to be included in the federally mandated Statewide Transportation Improvement Program (STIP), regardless of the fund source; and

WHEREAS, KMPO is anticipated to approve another resolution reaffirming its support for this project and requesting a STIP amendment be processed at its March 1, 2007 meeting; and

WHEREAS, any funding agreement with the Department will be reviewed by the Board; and

WHEREAS, preliminary engineering conducted by the developer at no cost to ITD under administration by ITD District 1 is scheduled for 2007.

NOW THEREFORE BE IT RESOLVED, that the Board approves the addition of the I-90, Beck Road Interchange project to FY10 of the Local Participation Program for \$40 million total cost within the FY07 STIP; and

BE IT FURTHER RESOLVED, there is an understanding that the project would be removed from the STIP if the STAR legislation is not passed by the beginning of State FY09 or that a funding agreement with the Department is not forthcoming.

In response to Member McClure's question on whether the sales tax will be reimbursed for a time certain or for a specific amount, Mr. Sieber replied that based on the projections of each business in the area and with reimbursing 75% of the sales tax, it will take approximately six years to repay the interchange expenses. The maximum amount will be \$35 million.

Senator Hammond emphasized that ITD will control the project. It will oversee the design and construction.

The motion passed unanimously.

Executive Session on Legal and Personnel Issues, Section 67-2345, Idaho Code. Vice Chairman Sweeney made a motion to meet in executive session at 11:15 AM to discuss legal and personnel issues. Member Miller seconded the motion and it passed 6-0 by individual roll call vote.

A general discussion was held on legal issues related to the US-95, Sand Creek Byway and the US-93, Twin Falls Alternate Route projects.

A general discussion was held on personnel issues related to charges brought against a former employee for activities that occurred during employment at the Department, and the hiring of public officers.

The Board came out of executive session at 12 noon. No final actions or decisions were made.

Luncheon with the Aeronautics Advisory Board (AAB). The Board visited informally with the AAB members during lunch.

Division of Aeronautics' Annual Report. AAB Chairman Rodger Sorensen introduced the AAB members. He was pleased to report that there were no aviation fatalities in the state in 2006. There were 12 fatalities in 2005. Accidents were also down from 33 in 2005 to 12 in 2006. He said that safety is a big focus of the Division.

Susan Simmons, Acting Aeronautics Administrator (AAA), provided an overview of the

programs: provide matching funds for airports, register airmen and aircraft, maintain state-owned airports, coordinate statewide search operations, operate and maintain state aircraft, safety education and information outreach, and aviation education and outreach. She highlighted some of the accomplishments from 2006. The Division registered 2,400 pilots and 2,100 aircraft; 10 safety and training seminars were conducted; 2 teacher aviation workshops were held; and a 4-day aviation career exploration workshop was sponsored. Volunteers contributed 378 hours to maintain the state's airstrips. Additionally, usage of the King Air increased from 223 hours and 513 passengers in 2005 to 234 hours and 537 passengers in 2006.

AAA Simmons summarized the Division's FY07 budget and reviewed the proposed FY08 budget. She noted that although the funding situation is not as dire as earlier projected, revenue is a concern and options need to be explored.

In response to Member Blick's question on whether the King Air is self-supporting with the increased usage, AAA Simmons responded no. He also asked if there is a separate fund for major repairs of the aircraft. AAA Simmons replied that the Division of Highways pays for major expenses. Member Blick expressed concern with the Division of Highways subsidizing the King Air. He believes the rates should increase so that the users of the aircraft pay for its operation and maintenance. Member Sweeney believes the Governor needs to encourage state agencies to use the aircraft. Member Miller suggested posting the flight schedule on the Internet. He believes if people have access to the flight schedule, there may be better utilization of the aircraft.

Member McClure questioned the policy of requiring two pilots when flying state aircraft, whether it is the King Air or the single-engine 206. AAA Simmons did not know what the current policy is, but will research that issue.

Chairman Manning thanked the group for the presentation and extended appreciation to the AAB members for their service.

Old/New Business. Member McClure expressed support for the Safety Rest Area Program. The facilities are an important part of the transportation system. Although he is reluctant to cut the Program to \$5 million annually, he said \$10 million may have been overly aggressive. The Department needs to maintain the current facilities, but it may not be feasible to construct new ones. He does not believe all of the options have been explored regarding funding the Rest Area Program and cutting other programs.

Member Blick also acknowledged the importance of rest areas, including the need to provide truck parking. He believes the Program needs to be sufficiently funded to take care of the rest area facilities.

With numerous needs on the state highway system, particularly intersection improvements on US-91, Member Miller is reluctant to provide more than \$5 million per year for rest areas. He does not support constructing new rest areas due to the backlog of highway needs.

Member Combo questioned the utilization of a program manager versus in-house staff to oversee the Rest Area Program. He expressed concern that the Dubois Rest Area is closed in winter and requested staff look into the feasibility of keeping the facility open year-round. He also suggested involving the District Engineers in the discussion and deferring a decision on the funding level of the Rest Area Program.

In response to Chairman Manning's question on the urgency of a decision, Director Lowe responded that staff would like guidance today, as efforts need to proceed on updating the FY08-12 STIP.

Member Coleman believes more partnering efforts are needed. The program manager should explore opportunities with the private sector, which may result in savings that could be used for other needs.

If the issue is time sensitive, Member McClure suggested funding the Rest Area Program at \$10 million now and revisiting the issue, as he believes not all options have been investigated. When the Board established the Rest Area Program, it envisioned a \$10 million annual Program.

Member Sweeney said he does not support funding the Rest Area Program above \$5 million annually. He referenced the Horizons program, where funds are being expended on projects that may not be constructed, and is concerned that the Rest Area Program is heading in that direction. He supports funding improvements to highways before rest areas.

Member Blick made a motion, seconded by Member McClure, to amend the proposed resolution to fund the Rest Area Program at \$10 million annually for the short-term and to explore options and revisit the Program. He added that there are more issues than just the dollar amount to consider.

Members McClure and Blick commented on the initial \$10 million commitment, which was reduced to \$5 million in the FY07 STIP, asking for clarification on the one-year reduction and also commenting that the \$5 million reduction appears permanent. MTI Amick responded that the FY07-11 STIP funded rest areas at \$5 million in each of those five years.

Member Sweeney made a substitute motion to fund the Rest Area Program at the \$5 million level. Member Miller seconded the motion. Upon a three-three tie, with Members Blick, Combo, and McClure dissenting, Chairman Manning voted nay and the motion failed.

On the motion to amend the proposed resolution to fund the Rest Area Program at \$10 million per year, the vote being 3-3, with Vice Chairman Sweeney and Members Miller and Coleman dissenting, Chairman Manning voted affirmative and it passed.

The question was called on the motion on the amended resolution:

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department to publish and accomplish
ITB07-09 a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal and state capital investment funding; and

WHEREAS, the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU) requires that a fiscally constrained priority list of projects covering a four-year period be provided in a Statewide Transportation Improvement Program (STIP); and

WHEREAS, in September 2006 the Board approved a five-year STIP limiting highway capital investment funding in the STIP for use on only those projects that can realistically be funded for construction within the five-year STIP; and

WHEREAS, the Department intends to continue its ongoing commitment to limit deficient pavement to 18 percent on the state highway system; and

WHEREAS, in addition to the pavement and bridge preservation programs, staff has highlighted an ongoing annual need for \$35 million in non-deferrable roadway restoration work which will eventually cause other capital improvement programs to be prioritized and adjusted if the current funding environment continues; and

WHEREAS, according to the American Road & Transportation Builders Association Transportation Construction Materials Prices Annual Report 2005 annual inflationary increases have occurred in highway and street materials costs between FY04 and FY05 of 12.6 percent compared to the previous average annual increase rate since 1998 of 5 percent; and

WHEREAS, increasing construction costs for pavement and bridge preservation projects have been requiring investment levels in the STIP in excess of the funds targeted in these preservation programs in the STIP; and

WHEREAS, the most recent FY06 state highway system pavement condition results show 20 percent deficient pavement, an increased trend in deficiencies from the Department's 18 percent goal; and

WHEREAS, it is estimated that \$204.7 million in federal formula funding with match will be reserved for debt service payments between FY07 and FY12 toward the benefit of \$998 million in GARVEE bonded major capital improvements; and

WHEREAS, the SAFETEA-LU will expire in FY09 and a new federal highway act will be required to continue federal funding support for Idaho's highway capital improvements; and

WHEREAS, the average annual federal obligation authority in FY05 and FY06 was 86.3 percent of the guaranteed funding levels under SAFETEA-LU; and

WHEREAS, in October 2006, the Board passed a resolution reducing for one year the total funding for the Rest Area Program from \$10 million annually to \$5 million annually; and

WHEREAS, state funding for highway construction is expected to decrease from \$38.5 million in FY07 to \$14 million in FY12 due to the effects of inflation on the cost of operating the Department; and

WHEREAS, the Board has reviewed STIP funding scenarios that include the consequences of 1) reduced federal obligation authority in comparison to estimated level apportionments through FY13, 2) reserving federal formula funding for debt service on a \$998 million GARVEE bonding program, 3) increasing the Rest Area Program from \$5 million to \$10 million annually, and 4) the continued effects of inflation on the STIP.

NOW THEREFORE BE IT RESOLVED, that the Board authorizes staff to update the FY08-12 STIP under the assumption that federal highway formula apportionments to Idaho under the next highway act will remain level through FY12 at the FY09 estimated funding amount under SAFETEA-LU; and

BE IT FURTHER RESOLVED, that the total Highway Capital Improvement Program under the STIP may be funded at the full apportionment levels estimated under this resolution; and

BE IT FURTHER RESOLVED, that the funding level for the Rest Area Program shall be \$10 million annually; and

BE IT FURTHER RESOLVED, that staff is authorized to increase the Department's emphasis on pavement and bridge preservation programs by 1) increasing funding levels of these programs each year to offset the effects of increased costs of construction materials and 2) advancing pavement and bridge preservation projects when possible through unanticipated increases in obligation authority or savings in the costs of operating the Department.

The motion passed 4-2 with Vice Chairman Sweeney and Member Miller dissenting.

The consensus of the Board was to revisit the Rest Area Program, including the annual funding amount, in the near future.

Without objection, the Board concurred to defer the Annual Safety Rest Area Planning Map and Improvement Program list.

Vice Chairman Sweeney made a motion, seconded by Member Blick, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the staff of the Idaho Transportation Department has received an offer to settle the case of

ITB07-10 *State v KLS & M Family Limited Partnership, et al* for \$380,000 including interest, costs, and attorney fees; and

WHEREAS, this total settlement in the amount of \$380,000 is just compensation for the property taken for right-of-way acquisition in the US-93, Twin Falls Alternate Route, Stage 1 project in Twin Falls County.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board hereby approves a settlement in the amount of \$380,000 as just compensation for acquisition of the real property taken in the case of *State v KLS & M Family Limited Partnership, et al*.

Chairman Manning appointed Member Blick to the Board Subcommittee on Adjustments to the State Highway System and Member Miller to the Board Subcommittee on the Enhancement Program and asked Member Coleman to consider serving on the Board Subcommittee on Audits.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially

adjourned at 2:10 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
March 21, 2007
Boise, Idaho

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

March 21, 2007

The Idaho Transportation Board met at 8 AM, on Wednesday, March 21, 2007, at the Idaho Transportation Department, Boise, Idaho. The following principals were present:

Darrell V Manning, Chairman
Bruce Sweeney, Vice Chairman – District 2
James Coleman, Member – District 1
Monte C. McClure, Member – District 3
Gary Blick, Member – District 4
Neil Miller, Member – District 5
John X. Combo, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Secretary

Board Minutes. Member Blick made a motion to approve the minutes of the regular Board meeting held on February 20-21, 2007 as corrected. Member Miller seconded the motion and it passed unanimously.

Board Meeting Dates. The following meeting dates and locations were scheduled:

April 18-19, 2007 – District 2
May 16-17, 2007 – District 4

Consent Calendar. Member McClure made a motion, seconded by Member Combo, and passed unanimously, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the revisions

ITB07-11 to Board Policy B-30-02, Authority to Sign Agreements, Compacts, or Arrangements with other States on behalf of Idaho; Public Transportation Division Section 5311 Statewide Transportation Improvement Program (STIP) amendment; and the removal of proposed 5309 discretionary transit projects from the STIP; and has received and reviewed the program and construction obligation graphs, monthly status reports; contract award information; and the quarterly report on legal actions and contract claims.

1) Revisions to Board Policy B-30-02, Authority to Sign Agreements, Compacts, or Arrangements with other States on Behalf of Idaho. The Board policy was updated to reflect

current organizational structure and responsibilities.

2) Public Transportation Division Section 5311 STIP Amendment. The Targhee Regional Public Transportation Authority (TRPTA) merged with Community and Rural Transportation, Inc. and is now the primary rural public transportation provider in District 6. The TRPTA Board has agreed to transfer \$200,000 of unprogrammed Section 5307 Urbanized funds to the Section 5311 Rural Program administered by ITD. The funds are to be used in the rural areas of District 6 by TRPTA to continue current operations. The transfer has been approved by the Bonneville Metropolitan Planning Organization.

3) Removal of proposed 5309 Discretionary Transit Projects from the STIP. The Federal Highway Administration and Federal Transit Administration (FTA) approval letter of the FY07 STIP excluded FTA 5309 bus and bus-related facility funded projects that do not have congressional appropriations and are not authorized for FY06-09 SAFETEA-LU funding in the November 30, 2005 Federal Register notice. The projects in question were initially shown in the STIP and Metropolitan Planning Organization (MPO) Transportation Improvement Programs (TIP) in case FTA 5309 discretionary funding was awarded. Based on the above notice in the STIP approval letter, the following projects are being recommended for removal from the STIP and MPO TIPs:

Key #10718	Transit facility	\$1,000,000
Key #10776	Bus shelters/turnouts	\$200,000
Key #10781	Facility	\$500,000
Key #10789	Vans/studies/construction	\$880,000
Key #10790	Bus/maintenance and parking facility	\$1,000,000
Key #10797	Bus purchase/upgrade facility equipment	\$830,000
Key #10827	Bus purchase	\$300,000
Key #10833	Facility	\$790,000

4) Program and Construction Obligation Graphs, Monthly Status Reports. As of February 28, approximately \$138 million had been obligated, or approximately 43% of the planned amount. The total amount obligated for construction projects was \$77.3 million. Project status reports were presented for all 2007 projects.

5) Contract Awards. Key #10018 – District 3 FY07 Region 2 Sealcoats. Low bidder: Kloepper, Inc. - \$766,679.

Key #9980 – I-84, Eagle Interchange Ramps, District 3. Low bidder: WF Construction & Sales, LLC - \$2,406,365.

Key #8052 – US-26, Clark Hill Rest Area Rehabilitation, Bonneville County, District 6. Low

bidder: Ovard Construction Inc. - \$2,036,426.

Key #8896 – I-84, Jerome Interchange to Junction US-93 Interchange, District 4. Low bidder: Western Construction Inc. - \$9,777,778.

Key #9391 – US-30, Junction US-95 to New Plymouth, District 3. Low bidder: Valley Paving and Asphalt Inc. - \$670,068.

Key #8988 – I-15, Chubbuck Road Overpass, Bannock County, District 5. Low bidder: Braun-Jensen Inc. - \$468,000.

Key #7148 – US-20/26, Cloverdale Road to Hewlett Packard Main Entrance, District 3. Low bidder: Central Paving Company, Inc. - \$5,493,821.

Key #9419 – Traffic Signal Upgrade, Meridian, District 3. Low bidder: Track Utilities, Inc. - \$74,344.

The low bid on key #8399 – SH-97, Turner Creek Bridge, Kootenai County, District 1, was more than ten percent over the engineer's estimate, requiring justification. The source of the engineer's estimate was the ITD Estimator Average Unit Price List and the Headquarters' Bridge Section. The main differences between the engineer's estimate and low bid were in 502-030A, Concrete Class 40B; 505-045A, Furnish and Drive Sheet Pile, and S501-90A, Temporary Shoring. The engineer's estimate had been adjusted during the course of the design for the rising costs of plant mix, steel and concrete. The low bid that exceeded the engineer's estimate is a direct result of the continued uncertainty in the costs of steel and concrete products. The District recommends awarding the project and does not believe a benefit would be realized if the project was readvertised. Low bidder: Westway Construction Company, Inc. - \$1,686,566.

The low bid on key #8689 – Boydstun Street, Junction SH-55 to West Valley Road, McCall, District 3, was more than ten percent over the engineer's estimate, requiring justification. Three bid items created the majority of the difference: excavation, retaining wall, and mobilization. The Local Highway Technical Assistance Council (LHTAC), the City of McCall, which is the sponsor of the project, and the project engineer do not see a potential advantage to rejecting bids and re-bidding the project at a later date. The City of McCall and LHTAC will contribute the additional funds required. Low bidder: DEBCO - \$2,489,000.

6) Quarterly Report on Legal Actions and Contract Claims. A summary of legal cases resolved by the Legal Section, a status of current legal cases, and a report on contract claims was presented.

Board Items. Member Combo said the City of Rexburg contacted him recently regarding its

South Rexburg Arterial project. The low bid was more than the engineer's estimate and the City was concerned with funding the additional costs. He asked staff to look into this issue and requested that this item be revisited under New Business. (See later minute entry.)

Member McClure reported on the March 20 Board Subcommittee on Adjustments to the State Highway System meeting. Efforts are proceeding to relinquish SH-79 to the City of Jerome. The Subcommittee anticipates having an item for Board consideration in the near future.

The Subcommittee has also been working with the appropriate local jurisdictions on extending SH-46 from Wendell to Buhl. Right-of-way acquisition is proceeding; however, the local entities have requested financial assistance. Member McClure asked the Board to consider providing State Board Unallocated Funds for the right-of-way acquisition under New Business. (See later minute entry.)

Vice Chairman Sweeney questioned the direction of the rest area program. He referenced the concept report for the Sheep Creek Rest Area and questioned the need to improve that facility, particularly with all of the other highway needs the Department has and its limited resources. Director Lowe responded that a discussion on the overall rest area policy is planned for the April Board meeting.

Director's Report. Director Lowe reported that the Joint Finance and Appropriations Committee (JFAC) approved the GARVEE Program in the amount of \$246 million. Upon final passage of the bill, staff will revise the GARVEE plan appropriately. She added that additional information will be provided under New Business. (See later minute entry.)

Director Lowe attended the American Association of State Highway and Transportation Officials' legislative meeting earlier this month. Some of the topics discussed included the funding level of the Highway Trust Fund, an emphasis on public-private partnerships, and design exceptions. While in Washington, D.C., she had the opportunity to visit with Idaho's Congressional Delegation. One of the main issues discussed was discretionary funding for the City of Rocks Byway and the Dover Bridge projects.

Director Lowe indicated that interest has waned for a legislative interim committee to study the Transportation Department. There have been some discussions on having the Office of Performance Evaluation review the Department, but nothing definitive has been decided.

Director Lower welcomed Deputy Director Scott Stokes to the meeting. He began his duties at Headquarters on February 26.

In conclusion, Director Lowe was pleased to report that staff has successfully moved the old

Datapoint 8600 computers to a new computer system. The project, completed on time and under budget, will improve performance at the county offices and will greatly reduce the down time of the system due to failures. Director Lowe recognized the team involved in this efficiency measure, which is part of the ongoing Division of Motor Vehicles' modernization project.

Chairman Manning commended the team for its success and expressed appreciation for the employees' efforts.

Policy Review. Transportation Planning and Programming Administrator (TP&PA) Matthew Moore summarized B-09-08, Bicycle/Pedestrian Facilities, which was created due to the 1991 Intermodal Surface Transportation Efficiency Act's emphasis that all federal aid projects should consider the need for the inclusion of bicycle and pedestrian facilities. He recommended updating this policy, which was last signed in 1993. Although Vice Chairman Sweeney expressed concern with the requirement to consider constructing sidewalks, partly because he believes it should be at the expense of the property owner and because of the Department's numerous pavement needs, there were no objections to revising the existing policy.

Chief Engineer (CE) Steve Hutchinson said B-14-11, Guardrail Installations was signed in 1990 to describe the type of guardrail to be used on state highways within national forests, along rivers, and in areas of significant scenic value. CE Hutchinson recommended deleting the Board and Administrative policies and incorporating the guidelines for guardrail installation in the Design Manual. The Board concurred with this recommendation.

Deputy Attorney General Karl Vogt summarized B-18-04, Gratuities and Conflict of Interest, addressing gratuities and conflicts of interest as they apply to state employees, and specifically, employees of ITD. Generally, the policy defines and explains pecuniary gain and sets forth the proposed manner and method of dealing with gratuities and potential conflicts of interest. He presented a revised Board policy that had been drafted several years ago but was never finalized.

Member Miller made a motion to approve the revised Board Policy B-18-04, Gratuities and Conflict of Interest. Member Combo seconded the motion and it passed unopposed.

Communication Plan. Public Information Officer (PIO) Jeff Stratten provided an update on the efforts being established and implemented to increase awareness about the Department's challenges, particularly relating to financial issues. The Board viewed a PowerPoint presentation that was developed as a key tool. Chairman Manning suggested emphasizing the cost of delaying pavement rehabilitation projects, resulting in much more costly reconstruction work.

Member Miller reported on District 5 Engineer Ed Bala's recent presentation to the City of Pocatello, focusing on the funding concerns. Because of the impact to local public entities, the

City of Pocatello is supporting ITD's revenue efforts. He commended DE Bala's efforts and emphasized the need to conduct outreach with the Department's local partners.

A brief discussion followed on the distribution formula for any additional fuel tax revenue that may be approved. It is the Board's understanding that the current formula in Idaho Code would be used for the distribution of the revenue.

Chairman Manning thanked PIO Stratten for the presentation and for his efforts on this important project.

Aeronautics Funding Options Update. Acting Aeronautics Administrator (AAA) Susan Simmons said the Division of Aeronautics is funded from three primary sources. The fuel taxes, currently at the rate of \$.055 for aviation gas and \$.045 for jet fuel, generate approximately 95% of the state revenue. These taxes have not been increased since 1991. The remaining revenue is generated through aircraft and airmen registrations. The revenue has not kept pace with inflation. An Idaho Air Transportation Investment Forum was held in 2005. AAA Simmons said the Forum determined that there are tremendous needs in the airport system throughout the state and a significant gap in revenue to meet those needs. Several options were considered to address the revenue concerns, with increasing the fuel tax generating the most support. In August 2006 the Board approved legislation to increase the jet fuel to \$.06, which would produce approximately \$450,000 annually; however, this proposed legislation never made it to bill form. Another concept that was discussed last year, charging for air space, is not a viable option.

AAA Simmons reported that the Division of Aeronautics' FY08 budget is balanced, although it includes cutting some programs and utilizing one-time money. She said the financial issues will need to be addressed beyond FY08.

Member McClure asked how many gallons of fuel are sold annually and whether the amount has increased. AAA Simmons replied that she did not have the figures of fuel sold in the state, but added that presumably usage has increased because the revenue from that funding source is higher than anticipated. In response to Member Blick's question on whether increasing the fuel tax would result in aircraft purchasing more fuel out of state, AAA Simmons said that it is hard to know what kind of impact a fuel tax increase would have, but there is speculation that less fuel may be purchased in Idaho.

Chairman Manning thanked AAA Simmons for the report and also for her service as Acting Aeronautics' Administrator in addition to her regular duties as the Administrator of the Division of Administration.

January 2007 Financial Statement Analysis. Controller Dave Tolman reported that total federal

aid revenue for January was 8%, or \$14 million, more than through January 2006, but when compared to current year projections is down 13%. Federal indirect cost recovery was \$19.8 million through the end of the month. Revenue from the Highway Distribution Account was 2% more than projections while miscellaneous revenue was 7% ahead of projections. Expenditures for personnel and operations were less than budgeted while expenditures for capital equipment were 1% more than budgeted. He noted that the Department is experiencing more vacancies than usual, resulting in decreased personnel costs. In contract construction, the federal program was right on projections and the state program was 27% behind spending projections.

Aviation fuel tax revenue through the end of January was 9.4%, or \$93,000, more than projections. Miscellaneous revenue was 12% higher than forecast. Minimal federal funds were received. Overall expenditures were less than budgeted, according to Controller Tolman.

In the GARVEE Capital Projects Fund, ITD requested \$10.1 million from bond proceeds. Expenditures were made on authorized projects. Controller Tolman noted that the balance of bond proceeds held in trust by Wells Fargo of \$194 million must be paid out by May 2009. He added that the monthly payments for state match in the GARVEE Debt Service Fund for the months of February through June 2007 are \$524,780. The cash transferred into this Fund was \$688,000 and the disbursement out of the Fund through the end of January was \$6,567,910.

Employee Service Awards. The Board participated in the employee service awards ceremony. Chairman Manning provided remarks on behalf of the Board.

Annual Report on Safety Program. Cheryl Rost, Safety and Risk Management Manager (S&RMM) summarized the activities in the Safety Program during 2006. One of its main focuses is preventing employee injuries and equipment damage by educating employees in safe work practices, ensuring the provision of adequate protective gear, and communicating regulatory compliance information. Industrial injuries and illnesses totaled 122 in FY06 resulting in 809 lost work days. The FY05 incidents also resulted in a total of 809 lost work days. A total of 145 vehicular collisions were reported during FY06 resulting in \$265,160 in equipment damage costs. In FY05, 133 vehicular accidents were reported with equipment damage costs of \$196,800. The Program also includes identifying hazardous work sites and practices, investigating tort claims, informing management of losses and potential losses, and providing supervisors with consultative services.

Chairman Manning thanked S&RMM Rost for the informative presentation and for her efforts on this important program.

Legislative Report. Budget, Policy, and Intergovernmental Relations Manager (BPIRM) Julie Pipal reported on various legislative activities. A proposal addressing the issue of fuel tax on

Indian Reservations is proceeding through the system, which would positively impact ITD's revenue. The Sales Tax Anticipation Revenue bill, which is related to the Board's action last month regarding the I-90, Beck Road Interchange in District 1, has been passed by both chambers. The proposal to eliminate the seatbelt exemption for children age 6 and younger has been passed by the Senate and will go to the House. BPIRM Pipal reported that pavement condition on some routes was accidentally omitted in the 129,000 pound pilot project report. The correction was submitted to the Legislature and the Senate passed the bill allowing additional routes in the pilot project.

BPIRM Pipal summarized the FY08 appropriations as approved by JFAC. The main change from the Governor's recommendation was the transfer of \$3.5 million from replacement equipment to contract construction. She said there is legislative direction for ITD to focus on construction and right-of-way acquisition.

Chairman Manning thanked BPIRM Pipal for the update.

Local Highway Inventory Program. TP&PA Moore summarized Idaho Code requirements for counties and local highway jurisdictions to report to the Department the number of miles of improved highways in their highway system annually. Apportionment of the funds from the Highway Distribution Account to local units of government is based on the number of miles of improved highways. The ITD director is to certify to the state controller the total number of miles of improved highways in each county. TP&PM Moore reported that efforts are under way to allow local entities to map and certify improved highways as part of their efforts using ITD's State Planning and Research funds and in-kind staff resources. This redirection of funds is necessary to offset reductions in the Transportation Planning and Programming's staff complement and new work priorities.

TP&PA Moore presented a cooperative agreement that establishes the administration of a Local Highway Inventory Program between LHTAC and ITD. LHTAC will work with the local jurisdictions to establish procedures to document and confirm determinations of whether a highway is improved. The proposed budget is \$202,000 for the first year followed by an average of \$169,000 per year for years two through five. An average of \$176,000 per year in State Planning and Research funds will be utilized. At year three, ITD and LHTAC will begin to assess how the inventory process can begin to shift to being funded by local agency monies by year five of the agreement.

LHTAC Administrator Joe Haynes expressed support for this proposal and asked the Board to entrust the agency with the responsibility of this inventory.

Valley County Commissioner and LHTAC Member Tom Kerr expressed concern with funding

this program in the future, as the local entities do not have sufficient resources to take on the financial responsibility. LHTAC Administrator Haynes reiterated that the funding issue will be revisited in three years.

Member Blick made a motion, seconded by Member McClure, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, a cooperative agreement will establish the administration of a Local Highway Inventory Program

ITB07-12 between the Local Highway Technical Assistance Council (LHTAC) and the Idaho Transportation Department (ITD); and

Whereas, Idaho Code 40-603 requires the commissioners of each county to recommend highways for the county highway system to the Idaho Transportation Board at least once a year; and

whereas, the county commissioners are required to show which highways are improved and which are unimproved; and

whereas, Idaho Code 40-709 (2) c requires an annual certification of improved highway miles; and

WHEREAS, previous acting Director Bower charged ITD staff with developing a new continuous procedure that would allow local entities to map and certify improved highways as part of their efforts using ITD's State Planning and Research (SP&R) funds and in-kind staff resources necessary to complete these procedures; and

WHEREAS, this redirection of funds is necessary to offset reductions in Transportation Planning and Programming's staff complement and new work priorities; and

whereas, the budget proposal shows approximately \$202,000 for the first year (including all start-up costs) followed by an average of \$169,000 per year for years two through five; and

whereas, at year three staff from ITD and LHTAC will begin to assess how the inventory process can begin to shift being funded by local agency monies by year five of the agreement; and

WHEREAS, appropriation of funds from the Highway Distribution Account (HDA)

to counties and highway districts is based partly on the number of improved highway miles; and

WHEREAS, the physical field review and documentation of improved highway miles claimed by counties and highway districts is critical to the integrity of the appropriation of funds from the HDA; and

whereas, the LHTAC Board approved the cooperative agreement on March 9, 2007; and

whereas, it will benefit ITD to have a more complete base map to meet federal reporting requirements for crash data.

NOW THEREFORE BE IT RESOLVED, that the cooperative agreement with LHTAC for the Local Highway Inventory Program be approved.

Interagency Regional Operations Center (IROC) Continued Development. Bob Koeberlein, Mobility Services Engineer (MSE), said efforts are continuing on the development of an IROC. As part of Phase 1, it was determined that a regional operations center would provide better agency coordination and collaboration for managing freeways and arterial systems, responding to incidents, and enhancing traveler information to the public; and there was strong stakeholder interest for collocating operations and for dedicated communication links to other operations facilities.

MSE Koeberlein said the next step is to define the various partners' intent with further development. Assumptions for the IROC include that ITD will secure the initial capital costs to design and build the facility; each agency will pay its pro rata share of initial investment annually over a 10-year period and a pro rata share of the facility operating costs on an annual basis; governance of the IROC partnership will be developed by the IROC working group as per the final Concept of Operations and defined in a memorandum of understanding; each agency shall be responsible for its relocation and migration costs for occupying the IROC; and once relocated to the collocated facility, each agency shall be responsible for its individual system operations costs, personnel, and other required operational elements.

In response to Chairman Manning's question on whether the Bureau of Homeland Security has been contacted, MSE Koeberlein said yes, but it declined involvement. Due to personnel changes at the Bureau, Chairman Manning asked MSE Koeberlein to contact Homeland Security again. He also mentioned a statewide communication plan that is underway with oversight from the Bureau of Homeland Security. He commented that the communication plan should be considered for inclusion with the IROC proposal.

Member Blick expressed concern that agencies may back out of their commitment to be a partner in the IROC. MSE Koeberlein concurred that there are risks involved with the project; however, steps are being taken to mitigate those risks. Memorandums of Understanding will be developed. He added that there is no formal commitment from ITD, which may result in some apprehension from potential partners.

Although Member McClure understands Member Blick's concern, he expressed support for the IROC. He participated in an earlier scanning tour and believes the Department needs to continue pursuing an IROC.

Member McClure made a motion, seconded by Vice Chairman Sweeney, to approve the following resolution:

RES. NO. WHEREAS, Idaho Transportation Department and Ada County Highway District ITB07-13 have completed a feasibility study for a Regional Operations Center for the Treasure Valley and are engaged in a phase 2 effort that will define the joint facility and agency functions and include a location study; and

WHEREAS, ITD has received expressions of interest from several Treasure Valley and statewide government agencies in forming a partnership for co-locating into a joint Operations Center or having a data link to such a facility.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board authorizes staff to continue efforts to build a multi-agency partnership and to further define the proposed Interagency Regional Operations Center, develop memorandums of understanding, identify capital funding to design and build the proposed facility, and begin negotiations for a site for the facility; and

BE IT FURTHER RESOLVED, that the Division of Highways report back to the Board as significant milestones are achieved and it becomes appropriate for the Board to consider further action.

Member Blick requested that staff pursue the involvement of the Bureau of Homeland Security and also the feasibility of incorporating the statewide communications plan in the IROC and report back to the Board if the motion is approved.

The motion passed unopposed.

All-terrain Vehicle (ATV), Motorcycle, and Snowmobile Crossings on the State Highway System. Highway Operations and Safety Engineer (HOSE) Brent Jennings summarized the

January Board discussion regarding procedures for ATVs to cross state highways at designated locations. Procedures have been incorporated into the Traffic Manual to address this issue. Because ITD has the responsibility for signing all legal crossings of the state highway system, all costs for installation and maintenance of the recreational trail crossing signage within the highway right-of-way will be the responsibility of ITD. Signage located outside of the highway right-of-way will be provided by others. This is the same as for local highway or other designated pathway crossings of the state system. The liability issues are also the same since ITD installs and maintains all signs within the ITD right-of-way. HOSE Jennings said motorists who hit an ATV in a designated crossing area would be just as liable as if they hit any other vehicle on the roadway. He also summarized statutes regarding snowmobiles crossing state highways. HOSE Jennings recommended that the Board delegate the authority to designate ATV crossing points to the Director through a Board policy. There was no objection to this recommendation.

In response to Vice Chairman Sweeney's question on the number of requests we anticipate receiving for crossings, HOSE Jennings replied that there are currently two requests on file. Vice Chairman Sweeney asked if the Department has any accident history. HOSE Jennings responded that ITD has limited statistics on ATVs.

Member McClure commented that snowmobilers are often the same people as ATV users and he wondered if there may be some confusion due to the different rules for snowmobiles and ATVs.

State Institution Road Improvement Funds Annual Allocation. HOSE Jennings said the Department of Administration Division of Public Works has requested \$30,000 for a state institution road improvement project. The Governor concurred with the request to refurbish and resurface the parking areas in the vicinity of the Capitol. The project is referred to as the "Capitol Annex/Swing Space Remodel".

Member Combo made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, Idaho Code Section 40-310(14) establishes a program for the construction, alteration, repair

TB07-14 and maintenance of roadways in, through and around the grounds of state institutions; and

WHEREAS, the Board has authorized an amount up to \$30,000 annually for this program under Board Policy B-05-15, State Institution Road Improvement; and

WHEREAS, the Department of Administration Division of Public Works has submitted a request for a FY08 road maintenance and improvement project in the amount of \$30,000; and

WHEREAS, the project is for refurbishing and resurfacing the parking lot area of the “Capitol Annex/Swing Space Remodel”; and

WHEREAS, the Division of Public Works has forwarded this request to the Governor’s office; and

WHEREAS, the Governor has approved this request in a letter dated December 29, 2006 to the Board.

NOW THEREFORE BE IT RESOLVED, that the Board authorizes the Highway Operations and Safety Engineer to transfer the funding to the Division of Public Works for the proposed project; and

BE IT FURTHER RESOLVED, that the Division of Public Works will administer or cause to be administered the Board approved projects including all phases of project development, construction and final cost accounting.

Executive Session on Legal and Personnel Issues, Section 67-2345, Idaho Code. Member Blick made a motion to meet in executive session at 11:50 AM to discuss legal and personnel issues. Member Coleman seconded the motion and it passed 6-0 by individual roll call vote.

A general discussion was held on legal issues related to the Tribal Fuel Tax issue; the I-84, Karcher Interchange project; and operations of the state highway system.

A general discussion was held on personnel issues related to hiring public officers.

The Board came out of executive session at 1 PM. No final actions or decisions were made.

Presentation – Community Transportation Enhancement (CTE) Program. Dave Stephenson, Project Coordinator, Department of Lands, reported on the CTE Program. This Program was established within the federal Enhancement Program to enhance transportation corridors in communities through landscaping. He mentioned some projects that have been completed in the Program and projects that will be done this year. He said trees are a valuable investment as they improve air quality, improve water quality, have a cooling effect, and provide a 40% annual return on the investment. Mr. Stephenson emphasized the continued popularity of the Program and appreciates ITD’s partnership. He commended ITD personnel for the assistance it has provided and also for the funding the Board has provided.

Member Combo thanked Mr. Sephenson for administering this successful and valuable program

and for the Department of Lands' partnership. Chairman Manning thanked Mr. Stephenson for the update on the CTE Program.

Project Development Process. Roadway Design Engineer (RDE) Damon Allen outlined the project development procedures: concept approval, preliminary design, design approval, final design, and bidding the project. The process, which also includes funding issues, public hearings, and environmental clearances, takes an average of six years to complete for a typical project.

Right-of-Way Manager Leonard Hill elaborated on the right-of-way and land acquisition process. He explained the steps and timelines leading to the issuance of a right-of-way certificate. Approximately 10% of the parcels to be acquired are sent to the Legal Section for condemnation proceedings.

DAG Vogt summarized the condemnation process. He reviewed the statutory issues that the Department must address and the working relationship the Legal Section has with the Division of Highways. He said about 10% of the condemnation cases received proceed to court while the vast majority are settled before reaching that point.

RDE Allen concluded the presentation with examples of exceptional projects. Those include projects that proceed to the right-of-way acquisition stage but are then delayed for reasons such as environmental or funding issues. Some projects take longer than six years to complete, mainly due to environmental issues and the lack of an identified alignment. This can be frustrating for property owners in the corridor because they don't know what the Department's final decision will be or how that decision may affect them.

Chairman Manning thanked staff for the informative presentation.

New and Supplemental Professional Agreements Report. CE Hutchinson reported that the Consultant Administration Unit processed \$1,897,500 in professional, supplemental, and term agreements from February 1 through February 28, 2007.

Annual Report on Audits. Internal Review Manager (IRM) Carri Rosti presented the annual report on audits. The office conducts independent reviews to assess the effectiveness, compliance, and efficiency of Department programs, procedures, and controls. It also reviews records and financial reports for certain third parties contracting with ITD. Some of the activities in 2006 included reviews of a previous legislative audit on the Division of Aeronautics, the claims process to ensure compliance with procedures, the Division of Motor Vehicles' digital license plate costs, and a public transportation sub grantee. The focus areas for 2007 include hiring qualified employees to replace the significant turnover (80%) of seasoned employees that the office lost; the financial management responsibility, including expense reports, purchase

cards, and out-of-state travel; consultant utilization; and the change order process.

Chairman Manning thanked IRM Rosti for the annual presentation.

Annual Report from the Human Resources Section. Human Resources Manager (HRM) Mary Harker summarized the Department's FY06 hiring goals for Equal Employment Opportunity and provided related statistics. Three complaints were filed during the year, which was down from nine in FY05. Five job accommodations were made related to the Americans with Disabilities Act.

HRM Harker emphasized the workforce challenges that ITD faces due to the aging work force, with 44% of employees becoming eligible for retirement in the next ten years; fewer people going into key transportation fields; competition for workers from other industries; and reaching women and minorities. Efforts to address these challenges are underway. Some of the strategies include flexible pay, on-the-spot offers to hire applicants, succession planning, marketing, and streamlining the application process.

HRM Harker also reported on the Department's training activities. Last year, 2,516 employees attended 234 training events sponsored by ITD. Additional out-service training events were also well attended.

Member Combo asked if the Department reimburses employees for continuing education courses. HRM Harker replied that yes, the Department has a policy to pay for those fees.

Chairman Manning thanked HRM Harker for the informative presentation.

Development Impact Fees. Bruce Mills, Deputy Director of Technical Services, Ada County Highway District (ACHD), provided an overview on development impact fees in Idaho. Idaho Code defines impact fees as a payment of money imposed as condition of development approval to pay for a proportionate share of the cost of system improvements needed to serve new development. Currently only local government units with ordinance authority can collect impact fees to pay for capital public facilities to serve new growth. ITD cannot receive impact fees; however, Mr. Mills said that ITD can receive right-of-way, system improvements, and possibly funds through a voluntary private agreement with a developer or the land use agency requiring those items as a requirement of development approval.

Mr. Mills mentioned ways to work together within the existing law and potential statutory revisions to allow for ITD to collect impact fees. He volunteered to work with ITD on pursuing this revenue option. ACHD believes that helping ITD obtain impact fee collection authority is a win-win situation because everybody benefits from a good, improved transportation system.

The Board appreciated the educational presentation and accepted Mr. Mills' offer of assistance. It asked staff to work with ACHD on impact fee options.

Old/New Business. LHTAC Administrator Haynes was pleased to report that the funding issue for the City of Rexburg's South Arterial project had been resolved. No funding assistance from ITD would be requested. He also mentioned that the funding concerns with the Salem Road Bridge in District 6 have also been resolved. Member Combo thanked Administrator Haynes for his assistance on both of those projects.

Member Combo made a motion, seconded by Member Blick, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, in December 1997 the Idaho Transportation Department entered into Memorandums of

ITB07-15 Understanding (MOUs) with Wendell Highway District, West Point Highway District, Gooding County, Buhl Highway District, and the City of Buhl concerning the cooperative efforts to develop a route between the City of Wendell and the City of Buhl to be an extension of State Highway 46 and to have the route become a state highway; and

WHEREAS, the MOUs state that the ITD agrees to "assist the Local Highway Jurisdictions in developing innovative financing for funding the design, environmental, location and right-of-way acquisition. This may include use of STP Rural Funds, ST funds, advance right-of-way acquisition process and others yet to be determined;" and

WHEREAS, the Wendell Highway District has expended all its available resources including funds received annually through the Local Highway Investment Program; and

WHEREAS, the work completed by the Wendell Highway District includes right-of-way appraisals and negotiations; and

WHEREAS, without additional funds the work to date on the appraisals and negotiations for parcels north of the Snake River will be of no value in the future; and

WHEREAS, the balance of funds necessary to complete the acquisition of right-of-way within the Wendell Highway District is \$550,000; and

WHEREAS, right-of-way activities including appraisals are being performed for

parcels south of the Snake River and financed by the Buhl Highway District and City of Buhl; and

WHEREAS, the Buhl Highway District and City of Buhl would prefer to begin acquisition procedures this year; and

WHEREAS, the Buhl Highway District and City of Buhl have identified a funding shortfall of \$450,000 to complete right-of-way acquisition; and

WHEREAS, the Board Unallocated Account for FY07 has a balance of \$62,000; and

WHEREAS, the Board has allocated FY07 Board Unallocated Funds for the repair of the I-84, Cloverdale Overpass in Ada County, District 3 and I-90, 9th Street Bridge in Kootenai County, District 1; and

WHEREAS, a portion of the funds allocated for the bridge projects will be reimbursed by insurance payments and placed back in the Board Unallocated Account.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board authorizes the expenditure of Board unallocated funds from FY07 and FY08 in the amount of \$1,000,000 for the acquisition of right-of-way by the Wendell Highway District, Buhl Highway District, and the City of Buhl and in accordance with the above mentioned MOUs.

BPIRM Pipal summarized the GARVEE proposal approved by JFAC. Highlights of the motion include a total bonding amount of \$246 million to be issued by June 30, 2008, six specific projects to expend funds on and the dollar amount for each, the ability of the Board to move GARVEE bond proceeds from one project to another, prioritization of construction and right-of-way acquisition activities, encouragement to extend the program manager contract, and encouragement to complete as much of the work in-house as possible.

Member Blick expressed frustration with the overall GARVEE Program process.

Member Blick made a motion, seconded by Member Miller and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the staff of the Idaho Transportation Department has received an offer to settle the case of

ITB07-16 *State v. Peasley Transfer and Storage Co., Inc.*, for \$975,000 plus costs and interest; and

WHEREAS, this total settlement in the amount of \$975,000 plus costs and interest is just compensation for the property taken for right-of-way acquisition in the I-84, Karcher Interchange, Nampa, Stage 1 project in Canyon County, District 3.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board hereby approves a settlement in the amount of \$975,000 plus costs and interest as just compensation for acquisition of the real property taken in the case of *State v. Peasley Transfer and Storage Co., Inc.*

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 4:10 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
April 19, 2007
Lewiston, Idaho

REGULAR MEETING AND DISTRICT TWO TOUR
OF THE IDAHO TRANSPORTATION BOARD

April 18-19, 2007

The Idaho Transportation Board met at 8:20 AM, on Wednesday, April 18, 2007, in Lewiston, Idaho. The following principals were present:

Darrell V Manning, Chairman
Bruce Sweeney, Vice Chairman – District 2
James Coleman, Member – District 1
Monte C. McClure, Member – District 3
Gary Blick, Member – District 4
Neil Miller, Member – District 5
John X. Combo, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Secretary

Latah County Commissioners John Nelson and Tom Stroschein were also present.

District 2 Tour. The Board departed Lewiston south on US-95 to the Clearwater Casino. Sam Penney, Nez Perce Vice Chairman of the Executive Committee, welcomed the Board. He stated that the Tribe and District 2 have a memorandum of agreement in place and have established a good working relationship. He expressed concern with a number of vehicle crashes that have occurred in the area. The Tribe and District 2 are working on a cooperative agreement to construct an interchange at the eastern approach to the casino. He emphasized the need to provide safe access for the traveling public. Safety is a high priority of the Tribe.

District 2 Engineer (DE) Jim Carpenter elaborated on the interchange proposal. The Tribe would provide the funding and the District would design the project and oversee the construction. The environmental issues have not been explored yet, but he anticipates having the design completed and the project ready for construction by December 2008. DE Carpenter added that the access at the west end of the facility would change to strictly right-in.

Executive Committee Chair Rebecca Miles said the Tribe has hired a consultant to work on the interchange proposal. She said that funding has not been secured, but emphasized that the interchange is the Tribe's top priority. She also expressed appreciation to ITD for its partnership and cooperation on this project.

Vice Chairman Sweeney thanked the Tribal officials for their time. He added that the quarterly meetings that DE Carpenter and he attend with Tribal officials have been very beneficial and he appreciates the partnership that has been established.

The tour continued north on US-95. The group stopped at the US-95, Top of Lewiston Hill to Genesee construction project to visit with Frank Scarsella, President of Scarsella Brothers, Inc. The Washington-based company is the contractor for the project. Mr. Scarsella said one of the industries' biggest concerns is the erosion of buying power. He also stated that he enjoys working in Idaho and has a good working relationship with the District 2 staff.

The tour continued north on US-95 to Moscow. Staff reported on various projects along the corridor.

Luncheon Meeting with Local Officials. Moscow Mayor Nancy Chaney welcomed the Board to Moscow. She emphasized the importance of a good transportation system. The City appreciates the assistance DE Carpenter and his staff have provided. She added that Moscow desires to be a pedestrian friendly community.

Dr. Michael Kyte reported on the National Institute for Advanced Transportation Technology's (NIATT) clean vehicle technology. He also summarized the partnership with ITD on research and developing technology. The Traffic Signal Summer Workshop is an excellent opportunity to provide hands-on experience for students. He commended District 2 Traffic Signal Electrician Foreman Dale Moore for his involvement in the summer camp as an instructor. Dr. Kyte presented Mr. Moore with a certificate of appreciation for over 15 years of service and assistance to NIATT.

Moscow Public Works Director Les MacDonald reiterated the excellent relationship the City has with ITD. He summarized joint projects that have been completed as well as projects that are planned in the near future. Mayor Chaney also commended the Moscow Transportation Commission members for their voluntary service to address transportation issues.

District 2 Senior Environmental Planner Zach Funkhouser provided an update on the US-95, Thorncreek to Moscow project. The draft Environmental Impact Statement should be submitted to the Federal Highway Administration next month. Construction is anticipated in 2010. In conclusion, DE Carpenter thanked Moscow City officials and other interested parties for attending the luncheon.

The Board traveled US-95 north to the Latah-Benewah County line and then returned to Lewiston via US-95, where the tour concluded.

WHEREUPON the tour and meeting recessed at 3:45 PM.

April 19, 2007

The Board reconvened at 8:30 AM on Thursday, April 19, 2007, at the Idaho Transportation Department District 2 Office in Lewiston, Idaho. All members were present.

Chairman Manning welcomed Representative Liz Chavez and former legislator and Board member Mike Mitchell to the meeting.

Board Minutes. Member Blick made a motion to approve the minutes of the regular Board meeting held on March 21, 2007 as corrected. Member Coleman seconded the motion and it passed unanimously.

Board Meeting Dates. The following meeting dates and locations were scheduled:

May 16-17, 2007 – District 4

June 18-20, 2007 – District 3

July 18-19, 2007 – District 6

Consent Calendar. Vice Chairman Sweeney asked if the Dover Bridge deck replacement would be a temporary fix. Chief Engineer (CE) Steve Hutchinson said the project should last until the bridge is replaced. Member Coleman added that the bridge replacement project is not being removed from consideration with the funding of this proposed project. Member McClure asked if the Board Unallocated Account has been reimbursed from the insurance companies for motorists hitting structures in Districts 1 and 3. CE Hutchinson does not believe payments have been received yet. The Board asked to be kept apprised of the status of this account. The Board also asked for clarification on the location of some of the projects in the consent calendar and to revisit the construction obligation charts and graphs at a future meeting.

Vice Chairman Sweeney made a motion, seconded by Member McClure, and passed unanimously, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the revisions

ITB07-17 to Board Policy B-30-01, Dealer Advisory Board Activities; speed minute entry changes, US-95, District 1; Transportation Enhancement Program adjustments in FY07 and FY08; addition of US-2, Dover Bridge Deck Replacement, District 1; delay SH-97, Beauty Creek Bridge, Kootenai County, District 1; delay Old County Road Bridge, Benewah County, District 1; addition of SH-16, Corridor Preservation, Ada and Gem Counties, District 3; delay Rex-Leland Highway, Gooding County, District 4; and Local Highway Technical Assistance Council

Program changes to cover the bid on Salem Road and Salem Road Bridge, District 6; and has received and reviewed the program and construction obligation graphs, monthly status reports; contract award information; and the February 2007 financial statement analysis.

- 1) Revisions to Board Policy B-30-01, Dealer Advisory Board (DAB) Activities. The policy was revised to reflect current practices and correct references to Idaho Code as they relate to the DAB. The DAB has reviewed and concurred with the proposed revisions.
- 2) Speed Minute Entry Changes, US-95, District 1. Staff conducted an engineering and traffic investigation on US-95 from milepost (MP) 402.2 to MP 406.6. The recommendation, based on the speed study results, road conditions, safety, and public support, is to lower the speed limit from 60 miles per hour to 55 miles per hour from MP 402.48 to 406.6.
- 3) Transportation Enhancement Program Adjustments in FY07 and FY08. Staff requested delaying the following projects in the Enhancement Program from FY07 to FY08: 15th Avenue Pedestrian/Bicycle Facility, Post Falls, District 1, key #9432, at the City's request so it can budget for the additional funds anticipated being needed for the project; King Road to Boise Basin Park, Idaho City, District 3, key #9436, due to unforeseen environmental issues requiring additional time to finalize; and South Biking/Walking Trail System, Caldwell, District 3, key #9438, due to alignment and environmental actions. It also requested advancing Pennsylvania Avenue and 4th Street, Fruitland, District 3, key #9761, from FY08 to FY07.
- 4) Addition of US-2, Dover Bridge Deck Replacement, District 1. District 1 requested \$600,000 in FY08 Board State Unallocated funds for the US-2, Dover Bridge Deck Replacement project. The structure is an overhead steel truss bridge constructed in 1937 with a current sufficiency rating of 2 out of 100. The replacement of the Dover Bridge is currently in the Near Horizon of the Long Range Capital Improvement Plan. Ongoing bridge repair and deck maintenance issues require remedial action for the bridge to continue service until the time that the bridge can be replaced. The project is ready to advertise for construction.
- 5) Delay SH-97, Beauty Creek Bridge, Kootenai County, District 1. Staff requested delaying SH-97, Beauty Creek Bridge, Kootenai County, key #557 from FY07 to FY09 due to delivery issues. There is sufficient funding in FY09 to accommodate this delay in the Bridge Improvement Program. The FY07 funds will be used to cover unanticipated cost increases that occurred on prior year projects in District 1.
- 6) Delay Old County Road Bridge, Benewah County, District 1. Staff requested delaying Old County Road Bridge, Benewah County, key #8768 from FY07 to FY09 of the Off-System Bridge Program. The project, including additional right-of-way acquisition, is programmed for \$641,000.

The Local Highway Technical Assistance Council (LHTAC) in consultation with Benewah County concurs that the project will not be ready for construction in FY07. There is sufficient funding in FY09 to accommodate this delay in the Off System Bridge Program.

7) Addition of SH-16, Corridor Preservation, Ada and Gem Counties, District 3. District 3 requested the addition of SH-16, Corridor Preservation, Ada and Gem Counties, key #8630 to FY07 of the Statewide Transportation Improvement Program (STIP). The project was previously in the STIP for the purpose of preparing an environmental document, a preliminary plan for widening and frontage roads, a record of survey, right-of-way plans, and to purchase right-of-way. All but the right-of-way purchases have been completed. In FY06 staff was preparing a purchase of a residential parcel at the intersection of Floating Feather Road and SH-16. The property owners had requested an early acquisition and commitments were made. The project was then removed from the STIP when the right-of-way purchases were included in the GARVEE Program. The right-of-way acquisition is no longer included in the GARVEE Program. The delay in early acquisition caused by switching investment strategies has created a hardship for the property owner. By adding this project to the STIP, the right-of-way acquisition can proceed.

8) Delay Rex-Leland Highway, Gooding County, District 4. Staff requested delaying the Rex-Leland Highway, Gooding County, key #8692 project from FY07 to FY08. The project will not be ready for advertisement this fiscal year. This delay fits within the STP-Local Rural Program balance in FY08.

9) LHTAC Program Changes to Cover the Bid on Salem Road and Salem Road Bridge, Fremont County, District 6. Staff requested delaying the Watson Street Bridge, Culdesac, key #7786, District 2, and Mesa Falls Road, Fremont County, key #9912, District 6, projects from FY07 to FY09 of the STP-Local Rural Program. The funds made available in FY07 will be used to offset the difference between the engineer's estimate (\$3.356 million) and the low bid (\$4.232 million) on the Salem Road, Fremont County, key #5687, and Salem Road Bridge, Fremont County, key #6277, District 6 projects. The local entities concurred to delay their respective projects because the progress of their environmental work is likely insufficient for meeting the conditions for obligation in FY07.

10) Program and Construction Obligation Graphs, Monthly Status Reports. As of March 31, approximately \$173 million had been obligated, or approximately 50% of the planned amount. The total amount obligated for construction projects was \$122.6 million. Project status reports were presented for all 2007 projects.

11) Contract Awards. Key #10914 – US-95, Worley North, Kootenai County, District 1. Low bidder: M. A. Deatley Construction, Inc. – \$39,690,300.

Key #6456 – SH-21, Dunnigan Creek Bridge, Boise County, District 3. Low bidder: McAlvain Excavation, Inc. - \$2,314,137.

Key #9656 – I-84, Blaine/Cleveland Curb Replacement, District 3. Low bidder: Braun-Jensen, Inc. - \$1,784,000.

The low bid on keys #5687 and #6277 – Salem Road, Fremont County and Salem Road Bridge, Fremont County, District 6 was more than ten percent over the engineer's estimate, requiring justification. In reviewing the bid abstract, it was determined that the 205-030A Borrow, 213-010A Topsoil, and Mobilization items were extraordinarily high. The three bids received were competitive. This was the second time the projects were advertised. LHTAC does not anticipate an advantage to rejecting the low bid and readvertising the project and recommends awarding the project. Low bidder: Cannon Builders, Inc. - \$4,232,053.

Key #9995 – US-95, Cattle Pass to Smokey Boulder Road, Adams County, District 3. Low bidder: Valley Paving & Asphalt, Inc. - \$1,909,643.

Key #8957, #8959, and #8956 – I-84, Milepost 17.6 to 23, Canyon County; Milepost 23 to Junction SH-44, Canyon County; and SH-44 Interchange to Caldwell, Canyon County, District 3. Low bidder: Idaho Sand & Gravel Company, Inc. - \$13,988,136.

The low bid on key #8634 – US-20, Chester to Twin Groves, Southbound, District 6, was more than ten percent over the engineer's estimate, requiring justification. The five most significant differences were in the Cement Recycled Base Stab, Portland Cement, CRS-2R Emul Asphalt for Seal Coat, Cover Coat Material CI B, and Superpave HMA Pav CI SP – 3 items. Staff believes the following factors resulted in higher than anticipated bids: the project is the first Superpave project in District 6, there are only a handful of subcontractors who specialize in the CRABS process, and the hyper inflation in construction materials in the last couple of years has particularly impacted cement prices. The District does not believe a significant savings would be realized if the project is readvertised and recommends awarding the project. Low bidder: H-K Contractors, Inc. - \$1,916,495.

Key #10011 – I-15, Shelley-New Sweden to Riviera, District 6. Low bidder: H-K Contractors, Inc. - \$463,132.

Key #9428 and #9429 – I-15, Signal Coordination Pocatello/Chubbuck Phase 1 and 2, District 5. Low bidder: 180 Connect - \$689,958.

Key #10019 – District 3 FY07 Region 3 and 4 Sealcoats. Low bidder: Snake River Construction,

Inc. – \$684,274.

The low bid on key #7843 – South Rexburg Arterial, District 6, was more than ten percent over the engineer's estimate, requiring justification. In reviewing the bid abstract, it appears that the concrete bid items were extraordinarily high. LHTAC does not believe there is an advantage to rejecting bids and readvertising the project. The Rexburg City Council agreed to cover the needed costs to accept the low bid. LHTAC recommends accepting the low bid. H-K Contractors, Inc. - \$4,862,259.

The low bid on key #8989 – I-15, Jensen Road Interchange Bridge, Bannock County, District 5, was more than ten percent over the engineer's estimate, requiring justification. The primary difference between the estimate and the low bid was in Concrete Overlay, Patch and Repair Concrete, Rent Traffic Control Signal Trailer, and Mobilization. Staff does not anticipate any cost savings from re-bidding the project. Also, because it is a rehab project, there are no items to add or delete to significantly change the scope of the project. The District recommends awarding the project. Low bidder: Cannon Builders Inc. – \$753,083.

12) February 2007 Financial Statement Analysis. Total federal aid revenue for February was 10%, or \$18 million, more than through February 2006, but when compared to current year projections is down 13%. Federal indirect cost recovery was \$20.8 million through the end of the month. Revenue from the Highway Distribution Account was 1% more than projections while miscellaneous revenue was 10% ahead of projections. Expenditures for personnel and operations were less than budgeted while expenditures for capital equipment were 1% more than budgeted. In contract construction, the federal program was right on projections and the state program was 28% behind spending projections.

Aviation fuel tax revenue through the end of February was 7.3%, or \$82,000, more than projections. Miscellaneous revenue was 3% higher than forecast. Minimal federal funds were received. Overall expenditures were less than budgeted.

In the GARVEE Capital Projects Fund, ITD requested \$11.4 million from bond proceeds. Expenditures were made on authorized projects. The balance of bond proceeds held in trust by Wells Fargo of \$193 million must be paid out by May 2009. The monthly payments for state match in the GARVEE Debt Service Fund for the months of February through June 2007 are \$524,780. The cash transferred into this Fund was \$688,000 equaling the amount authorized by the Legislature and the federal transfer amount of \$5.4 million for the debt service payment due in January. The disbursement out of the Fund through the end of February was \$7,092,690, which meets the bonding requirement.

Director's Report. Director Lowe introduced John V. DeThomas, the newly-appointed Division

of Aeronautics Administrator.

Deputy Director Scott Stokes, CE Hutchinson, Motor Vehicles Administrator Alan Frew and Director Lowe have visited five of the Districts. Director Lowe said the group will visit District 3 next week. To date, the meetings have been beneficial and informative. She is also in the process of visiting the Headquarters' Divisions and Sections.

Director Lowe was pleased to report on the recently-established bus route between Driggs, Idaho and Jackson, Wyoming. The daily service is being funded by fare revenue, ITD, the Wyoming Department of Transportation, the Cities of Driggs and Jackson, and Teton County. Public Transportation Administrator Larry Falkner, Grants Manager Marty Montgomery and District 6 Engineer Tom Cole were instrumental in establishing this service.

In conclusion, Director Lowe reported on an organizational change. Rik Hinton, a technical writer overseeing the Department's publications and policies, will report to Public Information Officer Jeff Stratten. Additionally, because the role of the Public Information Office has changed over the years to include functions such as public involvement and web services, the Section will be called the Communications Office.

Policy Review. Highway Operations and Safety Engineer (HOSE) Brent Jennings reviewed Board Policy B-05-34, Closures or Restricted Use of State Highways. Idaho Code states the Board has the authority to close or restrict the use of any state highway whenever the closing or restricting is deemed to be necessary for the protection of the public or highway facility. He recommends retaining the existing policy but changing a title for consistency. The Board concurred with updating B-05-34.

2007 Legislative Session Summary Report. Budget, Policy, and Intergovernmental Relations Manager (BPIRM) Julie Pipal summarized the legislation and actions affecting ITD from the 2007 session. All of the rules were approved. The only change was the allocation of the entire new \$15 permit fee on over-legal loads to the State Highway Account rather than the Highway Distribution Account, ensuring the program is paid for through the fees collected.

Legislation raising the cap on the balance in the Petroleum Clean Water Trust Fund from \$25 million to \$35 million was approved. It is estimated that ITD will receive approximately \$5.2 million annually until the new cap is reached. The tribal fuel tax bill included a provision that would exempt any tribe that had a deal with the Governor before December 1, 2007. Pending the outcome of negotiations, the bill could restore more than \$3 million to the Highway Distribution Account. Legislation that would add more than 500 miles to the already existing 129,000 pound pilot project routes was approved. The local option taxing authority for Regional Public Transit Authorities failed. Two bills related to safety restraints also failed. If either bill would have

passed, the state would have received over \$900,000 annually in federal funds for adult, teen and child safety restraint programs. A proposal to establish an interim committee to study the efficiency of ITD was not funded. Additionally, the Joint Legislative Oversight Committee considered an effort to have the Office of Performance Evaluations conduct a performance study on the Department, but that did not materialize, either. Both chambers adopted a joint memorial stating that the Legislature opposes the federal REAL ID Act of 2005 and urges members of Idaho's Congressional Delegation to repeal the Act. In response to Member Combo's question on whether Congress is considering repealing the Act, BPIRM Pipal responded that nothing definitive has occurred.

Chairman Manning welcomed Representative Ken Roberts to the meeting.

Vice Chairman Sweeney asked for more information on the legislative proposal relating to access control, even though the legislation did not pass. BPIRM Pipal reported that the proposal would have given access control to local entities. Member McClure believes the legislature needs to be informed of the corridor preservation projects underway in District 3 on US-20/26 and SH-44. The Department has been working extensively with local officials to address access management. Director Lowe added that staff intends to have an agenda item on access management at a future Board meeting. Chairman Manning heard an access control presentation at a recent Community Planning Association of Southwest Idaho meeting and suggested scheduling that presentation at a future Board meeting and legislative joint germane committee meeting.

Chairman Manning thanked BPIRM Pipal for the update and for her extensive efforts during the legislative session.

REAL ID Update. The Department of Homeland Security (DHS) released the proposed rule on REAL ID, according to Driver Services Manager (DSM) Ed Pemble. Staff has reviewed the regulation. He summarized the proposed comments the Department plans to submit during the open 60-day comment period. Some of ITD's concerns relate to the requirement that documents used to issue the REAL ID initially would need to be re-verified upon renewal of the license; requirements of the bar-coded content creates the potential for misuse of the information; and quarterly compliance reports would be a burden to provide.

In response to Vice Chairman Sweeney's question on who would have access to the bar code information on drivers' licenses, DSM Pemble replied a number of entities, such as DHS, law enforcement, and airports. Member McClure asked if the data would be centralized. DSM Pemble said each state would have data; however, the data could be accessed by all other states and DHS.

A brief discussion was held on the Department's next steps. The consensus of the Board was to continue monitoring the REAL ID activities at the Congressional level as well as what other

states are doing and continue dialogue with the Governor's Office. If there are no changes by September, the Board would consider requesting an extension of the May 11, 2008 implementation date.

Chairman Manning thanked DSM Pemble for the update and for his continued efforts on this important issue.

Employee Recognition. DE Carpenter was pleased to recognize John Richmond and Ken Puderbaugh for their recent heroic actions. Earlier this month, a motorist traveling through a construction zone on US-12 suffered a heart attack, resulting in his vehicle leaving the roadway. The two ITD maintenance personnel provided medical assistance, but unfortunately, the motorist did not survive. DE Carpenter presented Messrs. Richmond and Puderbaugh with *First There, First Care* certificates. This program was established to recognize people for providing emergency roadside assistance to individuals injured in traffic crashes.

Adopt-A-Highway. Member Sweeney thanked the members of the Harvard Area Picker Uppers for their participation in the Adopt-A-Highway Program. He said the Board appreciates the group's valuable service to the state. The group has been picking up trash along SH-6 in the Harvard area since 1993.

Chairman Manning recognized newly-appointed Federal Highway Administration Idaho Division Administrator Peter Hartman. He also thanked Assistant Administrator Renee Sigel for serving as administrator until Mr. Hartman's appointment began earlier this month.

Report on Committee on Employee Compensation Pay Program. Mary Harker, Human Resource Manager, said the legislature approved a 5% personnel increase for salaries. She summarized the Department's pay plan following the legislative requirements to target high turnover classifications, address advancement of employees below 90% compa-ratio, and provide merit based increases using a merit matrix. Although the salary increases are to be effective June 17, 2007, ITD has sufficient FY07 personnel savings to implement the pay plan in April. She added that compression issues are still being reviewed. Controller Dave Tolman provided financial information on the plan. Implementing the pay plan early with FY07 salary savings will cost approximately \$826,000.

Vice Chairman Sweeney commented that the Department needs flexibility to meet the market rate. He said ITD should not be losing employees to local units of government due to compensation issues.

Division of Motor Vehicles' (DMV) Modernization Project Update. Corporate Information Technology Project Administrator Shannon Barnes provided an update on the DMV

modernization project. The majority of funding for Phase I, estimated at \$8.3 million, has been secured, including via federal grants. This phase will enhance access and delivery of DMV services, stabilize the information systems, and utilize public and private partnerships to maximize the use of public funds. She provided details on the improvements that will be made and outlined the next steps, including deliver the plan to stakeholders, continue searching for funding strategies for the remaining phases, and involve stakeholders whenever possible.

Chairman Manning expressed appreciation for the update on this important project.

Debris on the Highway. As a follow-up to the November 2006 Board discussion on managing debris on state highways, HOSE Jennings said he reviewed the issue further and consulted with the District Engineers. The legal liability regarding the placement of signs with contact information for debris removal was reviewed with DAG Vogt. Idaho Code states that the Department has a duty to maintain the state highway system and that the Board determines the extent of that duty. Placing signs would create the expectation that ITD could respond immediately to reports of debris on the highway, which it is unable to do with current resources. HOSE Jennings reported that he reviewed motor vehicle crash statistics on I-84 from approximately Boise to the Utah state line. During the past five years there were very few crashes caused by an “object not fixed” – or debris on the highway.

HOSE Jennings does not intend to erect signs with contact information for motorists to report debris on highways. He does not recommend establishing structured patrols to look for debris unless it is outsourced, however, the Districts should patrol high debris areas on a more frequent basis as current resources allow. He also supports legislation to tie down loads on trucks. The Maintenance Manual will be revised to further address this issue, promoting uniformity and heightening the awareness of highway debris.

Member Blick reiterated the importance of keeping the highways free of hazardous debris such as recaps and may revisit this issue in the future.

Chairman Manning thanked HOSE Jennings for the report.

New and Supplemental Professional Agreements Report. CE Hutchinson reported that the Consultant Administration Unit processed \$1,717,750 in professional, supplemental, and term agreements from March 1 through March 31, 2007.

Overview – House Bill 336, GARVEE Bonds. BPIRM Pipal summarized the 2007 GARVEE Program legislation. Some of the key components include a range of funding for six specific projects in an amount up to \$250 million. The Board has the authority to move funding from one project to another listed project. Projects may not be added to the list nor current projects

extended or expanded. The Department is encouraged to complete the majority of work in-house. The priority for expending funds is construction, right-of-way acquisition, and then other project-related costs. Additionally, the legislation states that on and after July 1, 2008, the Board will have sole responsibility of determining the projects to be funded with GARVEE bond proceeds, although the projects have to be listed in Section 2, Chapter 457, laws of 2006.

GARVEE Program Administrator (GPA) Nestor Fernandez, GARVEE Program Engineer Dave Jones, and Connecting Idaho Partners Program Manager Dave Butzier outlined the current status of and plans for each of the GARVEE projects. GPA Fernandez intends to present the final plan for the Board's approval at next month's meeting. Extensive discussion followed, with frustration expressed by several Board members on the legislative action of identifying projects for funding. Vice Chairman Sweeney is concerned with the elimination of the US-95, Ohio Match to Wyoming project, as that will result in an approximate two-mile section of road along a four-lane highway from Coeur d'Alene to Sandpoint. Member Miller commented on the non-construction expenditures, particularly for the environmental and right-of-way phases of the SH-16, South to I-84 project. With the backlog of needs throughout the state, he would rather expend funds on construction. It was also noted that the public expectation is that GARVEE funds would be used for construction. Member Blick suggested not bonding the additional amount the legislature authorized.

GPA Fernandez provided an update on Special Experimental Project-15 (SEP-15). The requests for program manager as agent and assignment of approval authority, accelerated start-up of final design, and right-of-way protective buying for corridor preservation were submitted to FHWA in January. FHWA conducted internal meetings and preliminary discussions with ITD. The response received last month requested clarification and revisions for the program manager as agent submittal. The other two submittals appear to be likely candidates for approval.

Executive Session on Legal and Personnel Issues, Section 67-2345, Idaho Code. Member Blick made a motion to meet in executive session at 12:10 PM to discuss legal and personnel issues. Member McClure seconded the motion and it passed 6-0 by individual roll call vote.

A general discussion was held on legal matters exempt from public disclosure related to contract negotiations; the US-95, Sand Creek Byway project; and condemnations on US-20, Hewlett Packard to Joplin Road; US-93, Twin Falls Alternate Route; and US-95, Electrical Substation to Smith Creek.

A general discussion was held on personnel issues related to public officers.

The Board came out of executive session at 1:15 PM. No final actions or decisions were made.

Delegation – City of Boise. Boise City Councilwoman Elaine Clegg reported on the recent meetings and activities conducted regarding the 30th Street project. Economics, demographics, and market conditions were explored. She noted that the two major opportunity areas for development include the Transportation Department’s campus on State Street.

Chairman Manning thanked Councilwoman Clegg for the update. The consensus of the Board was to have staff continue working with the City of Boise on the 30th Street project.

Old/New Business. Moscow Transportation Commission Chairman Walter Steed said his initial focus was on automobiles. After joining the Commission, he learned the importance of a multi-modal transportation system. Along with public transit, sidewalks are an important component. He encouraged the Board to support sidewalks as a safe transportation alternative. He thanked the Board members for their time and also for their service to the state.

Vice Chairman Sweeney asked if there would be interest in establishing a Local Improvement District to fund sidewalks. Mr. Steed responded that the property owners do not want to tax themselves for these infrastructure improvements. The Transportation Commission realizes funding is an issue for local entities as well as the state, but it believes sidewalks should be a priority.

Member Combo asked if the City of Moscow has applied for Safe Routes to School funds. Mr. Steed said the City has applied for those funds to construct sidewalks near an elementary school, so it is exploring various funding options.

Chairman Manning thanked Mr. Steed for his comments.

Member Blick made a motion to not bond, at this time, the additional \$250 million the legislature authorized during the 2007 session. Vice Chairman Sweeney seconded the motion.

Member Blick stated his concern with the legislators’ involvement. He does not believe the legislature should determine which projects will be funded. Chairman Manning requested clarification on the reference to not bond “at this time”. Member Blick said he will not support additional GARVEE bonding until someone can convince him that bonding is appropriate and that the Department should bond for additional projects.

Member McClure concurred that the GARVEE bonding has been a difficult process, partly because it was new to the Board and Department; however, he believes it is a good tool.

Although Member Miller has concerns with the GARVEE Program, he is also concerned with the consequences that may result if the motion passes. He expressed frustration with the legislature

eliminating projects that are ready for construction from the list of eligible GARVEE projects. He would like additional information on the GARVEE Program and the impacts the motion may have.

Member Miller made a motion to table this item. Member Coleman seconded the motion. It passed 4-2 with Vice Chairman Sweeney and Member Blick dissenting.

Executive Session on Legal Issues, Section 67-2345, Idaho Code. Vice Chairman Sweeney made a motion to reconvene in executive session at 1:50 PM to discuss legal issues. Member McClure seconded the motion and it passed 6-0 by individual roll call vote.

A general discussion continued on legal matters exempt from public disclosure related to contract negotiations.

The Board came out of executive session at 2:40 PM. No final actions or decisions were made.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 2:40 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
May 17, 2007
Shoshone, Idaho

REGULAR MEETING AND DISTRICT FOUR TOUR
OF THE IDAHO TRANSPORTATION BOARD

May 16-17, 2007

The Idaho Transportation Board met at 8:00 AM, on Wednesday, May 16, 2007, in Burley, Idaho. The following principals were present:

Darrell V Manning, Chairman
Bruce Sweeney, Vice Chairman – District 2
James Coleman, Member – District 1
Monte C. McClure, Member – District 3
Gary Blick, Member – District 4
Neil Miller, Member – District 5
John X. Combo, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Secretary

Meeting with Mini-Cassia Transportation Committee (MCTC). MCTC Chairman Milo Ross welcomed the Board members to Burley and thanked them for taking time to meet with the Committee. He expressed appreciation to District Engineer (DE) Devin Rigby for the good working relationship the two entities have established. He provided an update on various transportation issues and expressed appreciation for projects such as the SH-27, Albion Hill and City of Rocks Backcountry Byway. MCTC Chairman Ross believes it is important to bring the City of Rocks Backcountry Byway up to state standards as development continues at Castle Rock State Park. Real estate agent Lloyd Smith requested a right-in/right-out access on SH-27 near I-84 in Burley. The access is instrumental for economic development to that property.

Greater Twin Falls Area Transportation Committee member Gary Young thanked the District and Board for the cooperative efforts to address transportation issues. Although the community is disappointed that no money has been secured for the US-93, Twin Falls Alternate Route Stage 2 project, Mr. Young is hopeful that the funding issue can be resolved. Personally, he believes that the Board has to focus on safety projects first. If there are urgent safety needs elsewhere in the state, he believes the Board should fund those projects before completing the second stage of the Twin Falls Alternate Route project. As an engineer, he understands that safety is the highest priority. He also knows the importance of preserving the existing infrastructure and not letting the pavement condition deteriorate.

District 4 Tour. The Board departed Burley east on I-84. It viewed a maintenance project before

turning around at the Raft River interchange and traveling west on I-84 and south on US-93 to Twin Falls. After an informal luncheon with Representative Jim Patrick and local officials, the Board traveled US-93 north, I-84 west and SH-79 north. In Jerome, Jerome City Engineer Scott Bybee elaborated on the proposal for the state to relinquish SH-79 to the City of Jerome. He also expressed appreciation to DE Rigby and his staff for the assistance it has provided with various transportation issues.

The Board returned to Twin Falls via SH-79, I-84, and US-93. While traveling the newly constructed US-93, Twin Falls Alternate Route Stage 1 and planned Stage 2, Twin Falls Mayor Lance Clow provided an update on activities in the city. He thanked the Board for the transportation investments it has made in the community.

The Board met with Twin Falls Chamber of Commerce representatives. Chamber President Shawn Barigar thanked the Board for its time. He elaborated on a proposal to re-route US-30 through town. Among other things, the proposal would address safety concerns with schools along existing US-30 and improve the route for truck traffic to the industrial area on the southern end of town. Mr. Barigar emphasized that there is extensive support for this proposal and the community wants the Board to put this issue on its radar screen. Chamber representative Jeff Hepworth volunteered to provide assistance with securing the needed right-of-way.

Member Blick acknowledged that the Board is aware of the proposal to re-route US-30. The Board Subcommittee on Adjustments to the State Highway System was briefed on the proposal a couple of months ago. He encouraged the group to work with DE Rigby on developing a plan.

WHEREUPON the tour and meeting recessed at 3:50 PM.

May 17, 2007

The Board reconvened at 8:30 AM on Thursday, May 17, 2007, at the Idaho Transportation Department District 4 Office in Shoshone, Idaho. All members were present.

Board Minutes. Member Combo made a motion to approve the minutes of the regular Board meeting held on April 18-19, 2007 as distributed. Member Miller seconded the motion and it passed unanimously.

Board Meeting Dates. The following meeting dates and locations were scheduled:

June 18-20, 2007 – District 3

July 18-19, 2007 – District 6

August 15-16, 2007 – District 1

Consent Calendar. Member Combo requested clarification on the Aeronautics' Fund, which projected expenditures approximately \$1 million more than actuals. Controller Dave Tolman reported that federal grants were anticipated, but have not been awarded. He confirmed that the Division of Aeronautics' expenditures cannot exceed its revenue.

Member McClure made a motion, seconded by Vice Chairman Sweeney, and passed unanimously, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the

ITB07-18 rescission of Board Policy B-05-13, Approval or Denial of Mobile Home Moves and the FY08 out-of-state travel; and has received and reviewed the contract award information and the March 2007 financial statement analysis.

1) Rescission of Board Policy B-05-13, Approval or Denial of Mobile Home Moves. This policy, last approved in 1993, states that the Board, as authorized by Idaho Code, may issue permits allowing transportation of oversize vehicles and/or loads on state highways. The policy specifies that the Department director or a designee is delegated authority to approve or deny mobile home moves in excess of those dimensions listed in IDAPA Rule 39.03.17, provided an economic emergency exists as delineated by IDAPA Rule 39.03.10. Staff believes the current rules are sufficient to meet industry standards regarding this issue and recommends rescinding Board Policy B-05-13, Approval or Denial of Mobile Home Moves.

2) FY08 Out-of-State Travel. The revised FY08 out of state travel budget request totals \$410,570, which is less than proposed last June. The total includes \$2,800 anticipated to be reimbursed by a third party.

3) Contract Awards. Key #8937 – I-90, FY07 District 1 Pavement Striping. Low bidder: Specialized Pavement Marking, Inc. - \$414,808.

Key #8943 and key #8893 – I-84, District 3 Pavement Striping and District 4 Pavement Striping. Low bidder: Specialized Pavement Marking, Inc. - \$461,031.

The low bid on key #8924 – US-95, Kootenai River Railroad Bridge, Bonners Ferry, District 1, was more than ten percent over the engineer's estimate, requiring justification. The source for estimating the bids was ITD Estimator Average Unit Price List and Bridge Section's historical database of bridge construction costs. This was the third time the project was advertised. The item with the most significant difference between the engineer's estimate and the low bid was Bridge Temporary Supports and Bridge Jacking. Staff considered the large scale of this work,

recent inflationary factors, associated risk of this item placed on the contractor, and the late bid opening date, and believes the low bid is reasonable. Low bidder: Westway Construction Company, Inc. - \$824,450.

Key #9808 – I-184, Intelligent Transportation Systems Connector, Boise, District 3. Low bidder: Quality Communications, Inc. - \$224,321.

Key #9460 – I-90, Cataldo to Pinehurst, Shoshone County, District 1. Low bidder: Poe Asphalt Paving, Inc. - \$3,145,695.

Key #9470 – US-12, Milepost 111 to Colgate Licks, CL Markings, District 2. Low bidder: Specialized Pavement Marking, Inc. - \$583,364.

Key #8633 – US-91, Intersection State and Center Streets, Shelley, District 5. Low bidder: Skyview Electric, Inc. - \$572,827.

Key #9372, key #9371, and key #9373 – Fort Hall Reservation to Burns Road Overpass; Agency Road to Ferry Butte Road, Bingham County; and Hoff Road to Riverside, Bingham County, District 5. Low bidder: H-K Contractors, Inc. - \$698, 548.

Key #10506 – Districtwide Brooming, District 1. Low bidder: Aero Power Vac – \$395,058.

Key #9101 – SH-3, Bear Ridge Grade, Latah County, District 2. Low bidder: Poe Asphalt Paving, Inc. - \$898,425.

The low bid on key #10949 – I-84, Cloverdale Road Underpass, Boise, District 3, was more than ten percent over the engineer's estimate, requiring justification. The following items make up the majority of the difference between the engineer's estimate and the low bid: Concrete Cl 40-A Sch No. 2; Patch and Repair Concrete Surface; Partial Rem of Bridge; and Mobilization. Staff does not believe re-bidding the project would result in lower prices for the concrete items. The large variance in the bridge items is most likely due to the time constraints in the contract and liability concerns. A majority of work for these items can only be completed at night in a limited construction window when interstate lane restrictions are in place. The added liability for completing the work on schedule was not accounted for in the engineer's estimate. The current weight restriction on the Cloverdale structure has lead to a public inconvenience, as heavily loaded trucks and school buses now must find alternative routes over the interstate. Safety concerns are also evident, as local police have reported several heavily loaded trucks disregarding posted weight restrictions and illegally using the bridge. Re-bidding the project would result in an additional delay to the repair of this structure, which could increase safety issues and would not alleviate the public inconvenience. Staff recommends accepting the low bid: McAlvain

Construction, Inc. - \$442,287.

The low bid on key #8828 and key #8827 – I-84, Blaine Street, Caldwell, and Cleveland Boulevard, Caldwell, District 3, was more than ten percent over the engineer's estimate, requiring justification. Excavation, Pulverize Existing Surface, Plantmix Pavement Incl Asphalt and Add. CL1, and Processed Reclaimed Asphalt Pavement were the items making up the majority of difference between the engineer's estimate and the single bid. Because this project is tied to a local curb and gutter replacement project, staff recommends awarding the contract. Low bidder: Central Paving Company, Inc. - \$2,768,538.

Key #9698 – Statewide Rumble Strips. Low bidder: Surface Preparation Technologies Inc. - \$598,923.

The low bid on key #9158 – US-95, Golden Gate Canal Bridge to D Avenue, Wilder, District 3, was more than ten percent over the engineer's estimate. Staff rejected the bid.

4) March 2007 Financial Statement Analysis. Total federal aid revenue for March was 9%, or \$17 million, more than through March 2006, but when compared to current year projections is down 15%. Federal indirect cost recovery was \$22 million through the end of the month. Revenue from the Highway Distribution Account was 1.4% more than projections while miscellaneous revenue was 5.6% ahead of projections. Expenditures were less than budgeted. In contract construction, the federal program was right on projections and the state program was 32% behind spending projections.

Aviation fuel tax revenue through the end of March was 7.4%, or \$91,900, more than projections. Miscellaneous revenue was essentially on forecast. Minimal federal funds were received. Overall expenditures were less than budgeted.

In the GARVEE Capital Projects Fund, ITD requested \$13.7 million from bond proceeds. Expenditures were made on authorized projects. The balance of bond proceeds held in trust by Wells Fargo of \$192 million must be paid out by May 2009. The monthly payments for state match in the GARVEE Debt Service Fund for the months of February through June 2007 are \$524,780. The cash transferred into this Fund was \$688,000 equaling the amount authorized by the Legislature and the federal transfer amount of \$5.4 million for the debt service payment due in January. The disbursement out of the Fund through the end of March was \$7,617,471, which meets the bonding requirement.

Board Items. Chairman Manning summarized the various meetings and activities he participated in recently. The main topics were the GARVEE Program and the Department's revenue.

Director's Report. Director Lowe reported on the recent American Association of State Highway and Transportation Officials and Western Association of State Highway and Transportation Officials meeting. Funding, particularly at the federal level, is a major concern. There is some interest in increasing the federal gas tax. A number of states are also facing a funding shortfall.

The Federal Aviation Administration authorization expires in September, according to Director Lowe. There is concern with the funding level of the Airport Trust Fund.

Director Lowe has scheduled a presentation from the Missouri chief engineer on practical design. He will address staff next week on ways to stretch money, such as adjusting standards.

In conclusion, Director Lowe said the Federal Transit Administration commended the Department for its efforts on safety and for its reporting process.

Vice Chairman Sweeney requested clarification at a future meeting on what maintenance and construction activities the state is allowed to perform. He asked if Idaho Code prohibits state forces from completing seal coats.

Delegation – City of Wendell. Wendell Mayor Rex Strickland thanked the Board for its time. Rob Hegstrom, J-U-B Engineering, Inc. Regional Manager, Twin Falls, emphasized the City's proactive approach to transportation. Wendell officials have been working with District staff on scheduling projects in the Statewide Transportation Improvement Program (STIP). J-U-B consultant Ivan McCracken elaborated on the specific plans to improve SH-46, or the city's Main Street, including widening, rebuilding or repairing sidewalks, installing storm water disposal systems, and improving lighting. Before the project gets underway, the city intends to complete a transportation master plan and also perform public involvement to inform the public on and obtain support for the project goals. Mr. McCracken said various funding options are being considered, including a Business Improvement District, a community development block grant, Safe Routes to School funds, city funds, and hopefully federal funds through the STIP. The city would like to begin the work in five years and anticipates a two- to three-year period to complete the improvements.

Chairman Manning thanked the delegation for the presentation on SH-46.

Program and Construction Obligation Graphs, Monthly Status Reports. Dave Amick, Manager, Transportation Investments (MTI), explained the year-to-date obligation charts by Program and by District, as the charts had been revised since last month. As of April 30, \$206.1 million had been obligated, or 60% of the planned amount. The total amount obligated for construction projects was \$132.8 million. Project status reports were presented for all 2007 projects.

FY07 Forest Highway Program Update. MTI Amick said the Tri Agency Group, consisting of ITD, the U.S. Forest Service, and the Western Federal Lands Highways Division (WFLHD) of FHWA, met in February to update Idaho's Forest Highway Program. WFLHD has approved the revised Program. It estimates \$14 million will be available in FY07 based on the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) plus additional obligation authority that is estimated to bring the grand total to \$31.8 million for FY07. MTI Amick highlighted changes to the program and commented that no new projects were added to the Program. The Tri-Agency is discussing the possibility of a safety subprogram for \$300,000 in both FY08 and FY09. It is awaiting the results of a pilot program in Montana to finalize the decision.

Member McClure made a motion, seconded by Member Blick, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department to publish and

ITB07-19 accomplish a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal and state highway funding; and

WHEREAS, the 2005 Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) requires that a priority list of projects covering a four-year period be provided in a Statewide Transportation Improvement Program (STIP); and

WHEREAS, the members of the Tri-Agency Group, composed of the Idaho Transportation Department, the U.S. Forest Service, and the Western Federal Lands Highways Division of FHWA, work cooperatively to select projects for the Federal Forest Highway Program; and

WHEREAS, the Chief Engineer has represented the Department's interests in funding projects under the Forest Highway Program as a member of the Tri-Agency Group; and

WHEREAS, the Forest Highway Program anticipates receiving an estimated \$31,756,904 in obligation authority in FY07.

NOW THEREFORE BE IT RESOLVED, that the Board concurs with the funding and project changes to the FY07-10 Forest Highway Program as adopted by the Tri-

Agency Group, as shown as Exhibit 336, which is made a part hereof with like effect, and authorizes staff to make the appropriate changes to the FY07-10 STIP in accordance with the provisions of SAFETEA-LU.

Adopt-A-Highway. Member Blick thanked the Twin Falls County Juvenile Community Service/Magistrate Adult Work Detail for its participation in the Adopt-A-Highway Program. The group has adopted 4 sections of highway, totaling 12 miles, along US-30 and SH-50.

GARVEE Program Discussion. Staff summarized the GARVEE legislation to date: authorizing the GARVEE Program, the first bonding authorization in the amount of \$200 million, and the second bonding authorization in the amount of \$250 million. Staff outlined three options for the GARVEE Program: the current working plan totaling \$998 million, a \$463 million program based on the bonding authorized to date plus interest, and a \$213 million program funded by the initial \$200 million authorized by the legislature plus interest. Deputy Director Stokes emphasized that the focus was on optimizing construction, the plans are based on project readiness, and the options are not sequential.

Chairman Manning thanked staff for the overview on the GARVEE Program.

Safety Rest Areas. Highway Operations and Safety Engineer (HOSE) Brent Jennings reported that the contract with Parametrix, Inc. to manage the Safety Rest Area Program has been terminated. The administration of this Program will be conducted internally, with the Districts having responsibility for project development, construction, reconstruction and rehabilitation work, and maintenance. Safety Rest Area projects will be determined with an ongoing Statewide Needs Assessment with consideration given to joint funding and participation with other governmental agencies; information centers where appropriate; and public/private partnership opportunities. The Program will continue to be funded separately with the amount established at the discretion of the Board. Each facility is to be reviewed annually to ensure that the desired purposes and services are being provided. Authority to close existing rest areas or construct new ones is retained by the Board. HOSE Jennings submitted revised Board and Administrative Policies to reflect the direction outlined above for the Safety Rest Area Program.

Member Combo questioned the funding source for partnership projects. HOSE Jennings responded that if federal guidelines allow it, federal funds will be used for partnership projects. Member Combo expressed support to keep rest area facilities open year-round.

Member McClure commented on the inconsistencies in maintaining facilities. He noted that some rest areas are better maintained than others. He asked for clarification on how the rest area projects will be determined for funding. HOSE Jennings acknowledged that rest area maintenance is not uniform statewide. Some Districts place a higher priority on maintaining those

facilities. Although the District Engineers are responsible for those facilities, HOSE Jennings said statewide criteria could be developed to provide maintenance guidelines. Regarding prioritizing rest area projects for funding, HOSE Jennings said a team approach, in partnership with the Districts, will be used to establish the proposed Rest Area Program.

Member Blick made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, Safety Rest Areas are an integral part of the transportation system;
ITB07-20 and

WHEREAS, the Idaho Transportation Department is committed to providing safe, secure, and sanitary rest area facilities at strategic locations on the state highway system; and

WHEREAS, Safety Rest Area projects shall be determined through an ongoing Statewide Needs Assessment.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board approves the revisions to Board Policy B-05-14, Safety Rest Areas, updating the guidelines for the Safety Rest Area Program.

Executive Session on Legal and Personnel Issues, Section 67-2345, Idaho Code. Member McClure made a motion to meet in executive session at 11:50 AM to discuss legal and personnel issues. Vice Chairman Sweeney seconded the motion and it passed 6-0 by individual roll call vote.

A general discussion was held on personnel issues related to public officers.

A general discussion was held on legal matters exempt from public disclosure related to contract negotiations.

The Board came out of executive session at 2 PM. No final actions or decisions were made.

Road Closure and Maintenance Agreement: Relinquish SH-79. DE Rigby elaborated on the discussions held with the City of Jerome to relinquish SH-79 to the municipality. He added that the Board Subcommittee on State Highway System Adjustments has been involved in the negotiations. The recommendation is to provide a lump-sum payment to the City of Jerome to pay for future operations and maintenance, the state's portion of one signal installation, a seal coat on the roadway, the rehabilitation of the roadway from B Street to I Street, and repairs to sidewalks, curb and gutter. Upon payment, the City will accept jurisdiction of and responsibility

for, in full and in every respect, that portion of existing SH-79 between mileposts 0.26 to 2.556.

Member Blick made a motion, seconded by Member McClure, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board Subcommittee on State Highway System Adjustments

ITB07-21 met and recommended relinquishment of State Highway 79 from milepost 0.26 to milepost 2.556; and

WHEREAS, the Idaho Transportation Department District has met with the City of Jerome to establish a basis of payment for a lump sum amount to transfer that portion of SH-79 to the City; and

WHEREAS, the City has passed a resolution to accept the proposed Road Closure and Maintenance Agreement for State Highway Project ST-8072(628).

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommendations of its Subcommittee and authorizes the appropriate ITD agents to proceed with bringing a system action to remove SH-79 from milepost 0.26 to milepost 2.556.

Safe Routes to School Program. HOSE Jennings introduced Bowen Huntsman, vice-chair of the Safe Routes to School (SR2S) Advisory Committee. He thanked Mr. Huntsman for serving on this important committee.

Mr. Huntsman summarized the purpose of the program: to enable and encourage children in grades K-8 to walk and bicycle to school; to make bicycling and walking to school a safer and more appealing transportation alternative, thereby encouraging a healthy and active lifestyle from an early age; and to facilitate the planning, development, and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools. The SR2S Advisory Committee has reviewed the applications for funding. A total of 32 projects was requested. Mr. Huntsman said \$1.7 million in FY06 and FY07 funding is available. He presented 21 projects recommended for funding, totaling \$1,347,778 in infrastructure-related projects and \$179,527 for non-infrastructure projects. He added that there is no local match requirement for the projects.

Vice Chairman Sweeney made a motion, seconded by Member Combo, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board previously adopted Board Policy B-11-07 to

ITB07-22 establish a Safe Routes to School (SR2S) program for the State of Idaho, under Section 404 of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), P.L.(109-59); and

WHEREAS, the purpose of the SR2S program is to 1) enable and encourage children in grades K-8, including those with disabilities, to walk and bicycle to school, 2) make bicycling and walking to school a safer and more appealing transportation alternative, thereby encouraging a healthy and active lifestyle from an early age, and 3) facilitate the planning , development and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools; and

WHEREAS, SR2S funding supports two project categories: 1) infrastructure, and 2) non-infrastructure improvements within a two mile radius of K-8 grade schools, to directly support increased safety and convenience for children to walk and bike to school; and

WHEREAS, the Idaho Transportation Department required the SR2S program coordinator to establish a SR2S Advisory Committee, comprised of volunteer representatives from State agencies and private organizations, with expertise and knowledge in the fields of education, transportation, law enforcement and healthcare; and

WHEREAS, the SR2S Advisory Committee established the SR2S program guidelines and project criteria, under the Secretary of Transportation issued program guidance of January 2006; and

WHEREAS, the Department advertised and accepted applications eligible for SR2S funding, for infrastructure and non-infrastructure projects, through a statewide competitive process; and

WHEREAS, the SR2S Advisory Committee has reviewed and prioritized the list of projects deemed eligible for SR2S federal-aid funding.

NOW THEREFORE BE IT RESOLVED, that the Board approves SR2S federal-aid funding available in FY07, for the list of prioritized projects, recommended by the Safe Routes to School Advisory Committee, as shown as Exhibit 337, which is made a part hereof with like effect; and

BE IT FURTHER RESOLVED, that staff is authorized to include the approved

projects in the FY07-10 Statewide Transportation Improvement Program (STIP) in accordance with the provisions of SAFETEA-LU; and

BE IT FURTHER RESOLVED, that the Chief Engineer may delay projects approved under this resolution from FY07 to FY08 of the STIP if appropriate to accommodate reasonable obstacles to project delivery in FY07.

All-Terrain Vehicles, Motorcycle Crossings on the State Highway System. HOSE Jennings presented a proposed policy delegating to the Department Director the authority of designating sections of state highways over which unregistered all-terrain vehicles and motorcycles can cross. A corresponding Administrative Policy outlining the procedures for designating these crossings has also been developed.

Member McClure made a motion, seconded by Member Coleman, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho State Legislature has passed Legislation authorizing the Idaho Transportation
ITB07-23 Board to designate sections of the State Highway System where unregistered all-terrain vehicles and motorcycles will be allowed to cross state highways in conjunction with a designated recreational trail route; and

WHEREAS, it is the desire of the Board to delegate the authority of designating crossing points on the State Highway System to the Idaho Transportation Department Director.

NOW THEREFORE BE IT RESOLVED, that the Board approves Board Policy B-12-21 delegating the authority to designate sections of the State Highway System where unregistered all-terrain vehicles and motorcycles shall cross to the Director.

State Board Unallocated Funds for Repairs to Ten Mile Road Underpass on I-84, District 3. Bridge Engineer Matt Farrar reported that a motorist was moving a piece of construction equipment along westbound I-84 in the Treasure Valley area earlier this month. The load exceeded height limitations and struck and damaged the Ten Mile Road structure. Staff determined that the bridge is safe for traffic but with only one lane and weight restrictions. A temporary signal is being used to allow both northbound and southbound traffic on the local road. He said a plan has been developed to replace the damaged girders that span the westbound interstate and staff is working on a design package for construction to be completed this fall. The total cost to develop the construction plans and complete the repairs is estimated at \$700,000. These costs will be submitted to the insurance company of the vehicle that struck the Ten Mile Underpass for reimbursement. MTI Amick requested FY08 State Board Unallocated Funds in the

amount of \$700,000 to design and construct the Ten Mile Road Underpass repair project, with the anticipation that the insurance claim will reimburse this allocation.

Member Miller made a motion, seconded by Member Combo, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department ITB07-24 to publish and accomplish a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal and state highway funding; and

WHEREAS, the Ten Mile Underpass on I-84 was damaged when struck on May 6, 2007 by a motorist whose load exceeded height limitations; and

WHEREAS, the damage to the Department's structure necessitates weight restrictions and the reduction of traffic flow to one lane on Ten Mile Road over the interstate; and

WHEREAS, the District Design and Headquarters Bridge Sections have developed a plan to repair the Ten Mile Underpass requiring an estimated \$700,000 in design and construction costs to restore the functionality of the underpass; and

WHEREAS, the District has fully programmed all of its capital investment funds in FY07 and FY08; and

WHEREAS, \$2,000,000 is set aside annually for use by the Board for such unforeseen events in the State Board Unallocated Program; and

WHEREAS, the balance in the FY08 Board Unallocated Program is estimated to be \$1,195,000 after insurance reimbursement from two earlier collisions in FY07 is received; and

WHEREAS, the Department anticipates reimbursement in state FY08 by the insurance carrier of the motorist who struck this underpass.

NOW THEREFORE BE IT RESOLVED, that the Board authorizes the use of FY08 State Board Unallocated funds in the amount of \$700,000 to repair the Ten Mile Underpass on I-84.

New and Supplemental Professional Agreements Report. Chief Engineer Steve Hutchinson reported that the Consultant Administration Unit processed \$2,130,600 in professional, supplemental, and term agreements from April 1 through April 30, 2007.

FY09 Budget Policy Direction. Budget, Policy, and Intergovernmental Relations Manager Julie Pipal summarized plans for the development of the FY09 budget. Although the Division of Financial Management and Legislative Services Office have not issued the budget preparation guidelines yet, staff is anticipating a 5% change in employee compensation, a \$2 million increase in employer benefit costs, and a 2% general inflation increase. Staff will continue establishing budget adjustments in preparation for the Board's June budget workshop.

Old/New Business. Member Blick said the Filer Highway District has approached him for assistance. With the completion of Stage 1 of the US-93, Twin Falls Alternate Route, the local roads that are part of Stage 2 have seen increased traffic. The approximate two-mile section under Filer Highway District jurisdiction is not in good condition. The local officials have requested financial assistance to improve the route and ensure it can handle the additional traffic. Member Blick asked staff to determine what assistance, if any, the Department can provide. He added that he does not support an expensive project now if the road will be torn up as part of Stage 2, but suggested providing some assistance, such as with filling pot holes.

Member Blick clarified his position on the GARVEE Program. He supports the Program and believes GARVEE bonding is a good tool. His concern is with the legislative involvement in identifying projects to fund. He was also frustrated with the legislature's lack of action on the Department's revenue needs. More funding is required to address the state's transportation needs, but no legislative discussions were held on that issue.

Member Miller requested a future Board discussion on the management review Chairman Manning completed last summer. There are some recommendations that have not been implemented or addressed that Member Miller believes should be considered.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 2:55 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
June 19, 2007

Boise, Idaho

WORK SESSION, REGULAR MEETING, AND DISTRICT THREE TOUR OF THE IDAHO TRANSPORTATION BOARD

June 18-20, 2007

The Idaho Transportation Board met at 9 AM, on Monday, June 18, 2007, at the Idaho Transportation Department District 3 Office, Boise, Idaho. The following principals were present:

Darrell V Manning, Chairman
Bruce Sweeney, Vice Chairman – District 2
Jim Coleman, Member – District 1
Monte C. McClure, Member – District 3
Gary Blick, Member – District 4
Neil Miller, Member – District 5
John X. Combo, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Board Secretary

DDIR Stokes stated that in preparing the draft budget, staff encountered an \$18 million deficit. It had difficult decisions to make to balance the budget. It established the Department's priorities as operations, preservation, restoration, and then expansion.

Capital Investment Program. Dave Amick, Manager, Transportation Investments (MTI), summarized the FY08-12 Capital Investment Program. By Division, the Program includes \$88 million, or 5%, for Public Transportation, \$142 million, or 8%, for Aeronautics, and \$1.4 billion, or 87%, for Highways. The majority of investments on the state highway system is for road and bridge preservation followed by road and bridge restoration. Due to limited funding, no new expansion projects are included in the Program; two projects were removed from the STIP; no new funding was requested for feasibility and early environmental projects; and funding is being dedicated to finish advance constructed projects.

Local Highway Technical Assistance Council Administrator Joe Haynes summarized the Local Programs. He expressed appreciation to the Board for allowing the local entities to participate in the Program. He emphasized the insufficient funding available to address the statewide transportation needs.

Matt Stoll, Executive Director, Community Planning Association of Southwest Idaho (COMPASS) reported on the challenges the Urban Program and Transportation Management Area (TMA) are facing. Escalating costs and continued growth in the urban areas are stretching

the locals' resources. He reported that no new projects were added to the Program and five projects were removed from the TMA because of insufficient funding. He stressed the need for partnerships to address the funding crisis and reported that the Association of Idaho Cities approved a resolution last week in support of the Department's funding plan.

Mr. Stoll also emphasized the need to address access control and to provide a multi-modal system, particularly as the Treasure Valley's population continues to increase. He commended ITD staff for its assistance and the partnership that has been established.

In response to Member Miller's question on legislation to preserve right-of-way, Mr. Stoll said that COMPASS has not been diligent on preserving right-of-way. The agency has been working on access control. He believes it is important for locals to work with developers to address growth-related transportation issues.

Member Blick expressed concern with highway projects resulting in increased land value. Highway improvements increase the value of property, resulting in increased right-of-way costs when ITD needs to acquire the property for the project. Director Lowe believes other states have addressed this valuation concern. She will have staff research the issue.

Statewide Transportation Improvement Program (STIP). Intermodal Planning Manager Pat Raino summarized the STIP process. The public comment period will be from June 28 through July 27. Federal requirements include updating the STIP at least every four years; however, ITD has chosen to update it annually. Member McClure asked staff to consider updating the document every other year, as that may save time and money. Member Miller noted the availability of the STIP via electronic means and compact disks. He encouraged distributing all of the Department's documents via these methods, as it would also result in a cost savings.

Safety Rest Area Program. Maintenance Services Engineer Carl Main presented two Rest Area Program options. The first option only addresses existing rest areas. The funding level required to rehabilitate and maintain those facilities fluctuates between \$3.3 million and \$4.8 million annually. The second option includes taking care of the existing Safety Rest Areas plus constructing new facilities. The funding level for that proposal is \$10 million per year. He added that both proposals include funding for partnerships.

In the discussion that followed, emphasis was placed on the need to take care of the existing rest areas. The consensus was to support a \$5 million program dedicated to maintaining the Department's current facilities. The program is to be reviewed annually and is to include an emphasis on establishing partnerships. (See later minute entry.)

Salary Compression Issues. Human Resource Manager (HRM) Mary Harker said that salary

compression occurs when a subordinate makes almost as much as or more money than the supervisor. The Director's FY08 Merit Pay Policy Memorandum stated that if, after the FY08 targeted pay actions, a supervisor's pay rate is less than 5% above an employee they supervise, a pay adjustment to the supervisor's pay rate will be made to correct the pay compression. HRM Harker said that in addition to the targeted classes, there are 39 other employees with salary compression issues. If all of these positions are given raises to equal 5% more than the highest-paid employee they supervisor, it would have a budget impact of \$245,049 for 75 employees.

In the discussion that followed, the Board expressed a desire to honor the commitment to the targeted classes, but it also emphasized that the raises should not be across the board. The consensus of the Board was to address the existing salary compression issues for the targeted positions on an individual basis and then subsequently address the non-targeted classes on a case by case basis. The targeted classifications would be FY 08. Compression in other job classifications may be addressed on an individual basis, in future years, as funding allows. The action to address job compression in targeted employees is to be a one-time event to address the FY08 salary compression issue, not an ongoing policy to address salary compression every time it occurs.

Draft FY09 Appropriation Request. Economics and Research Manager (ERM) Doug Benzon provided factors and trends on transportation revenue. Potential impacts to the Department's revenue in FY09 include increased fuel prices tend to reduce consumption, Tribal fuel tax lost to the Highway Distribution Account annually is \$3 million, and the increasing use of gasohol reduces the revenue from the gas tax. From 1997 to 2006, the National Construction Cost Index has increased an average of 4.4% annually while ITD's state revenue has grown approximately 1.7% each year during that time frame. ERM Benzon anticipates limited growth in the state aeronautics revenue between FY09 and FY12.

Senior Budget Analyst (SBA) Joel Drake elaborated on revenue trends. Since FY98, revenue to Idaho's general fund has increased 69.8% while revenue to the State Highway Fund and Aeronautics Fund has increased 14.7% and 12.3%, respectively. He summarized the Department's FY09 budget proposal. A total of \$303.3 million in federal funds is included in the appropriation request, including a \$41.1 million transfer for GARVEE debt service. Staff anticipates the state revenue will total \$228.6 million. Line items, or program enhancements, equal \$36,400 for equipment, the Reed Ranch Airport, and web cameras for airports. Some of the other recommendations include a 1% change in employee compensation with an additional 4% held in reserve, \$22.4 million for replacement items, \$232.7 million for contract construction, and \$2.85 million for capital facilities. The total appropriation request is \$489.3 million and 1,833.5 full-time employees.

SBA Drake also presented the FY08 supplemental appropriation request. A total of \$4.4 million

in additional revenue is expected from the Petroleum Clean Water Trust Fund and Overlegal Permit Fee increase. Spending authority will be requested for highway maintenance equipment, cost increases for paint and beads and electricity and postage, Motor Vehicles' equipment, Port of Entry operations, a Cost Allocation Study, and a Road Weather Information System maintenance contract.

2008 Legislative Revenue Proposals. Budget, Policy, and Intergovernmental Relations Manager (BPIRM) Julie Pipal summarized the legislative proposals submitted last year that address the Department's revenue concerns. Options for raising \$3 million in revenue for public transportation were also presented.

Discussion followed on prioritizing the revenue proposals, with no decision made.

WHEREUPON the work session recessed at 3:55 PM.

June 19, 2007

The Board reconvened at 8:30 AM on Tuesday, June 19, 2007, at the District 3 Office in Boise, Idaho. All members were present except Vice Chairman Sweeney, although he participated in a majority of the meeting via video conference from the District 2 Office.

May 16-17, 2007 Board Minutes. Member Combo made a motion to approve the minutes of the regular Board meeting held on May 16-17, 2007 as submitted. Member Blick seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:

July 18-19, 2007 – District 6

August 15-16, 2007 – District 1

September 19-20, 2007 – District 5

Consent Calendar. Member Combo made a motion, seconded by Member McClure and passed unopposed, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the re-appointment

ITB07-25 of Public Transportation Advisory Council Member in District 2; relinquishment of SH-79, District 4; the 2015

Statewide Rural Functional Classification Update; the removal of US-

30, McCammon to Wyoming State Line from the STIP; the addition of Discretionary projects to the FY07 STIP; deletion of Board Policy B-14-01, Damaged or Obsolete Railroad Gates and/or Signals; and revisions to Board Policy B-19-01, Financing Construction of State Highways in Cities; and has received and reviewed the contract award information; the program and construction obligation graphs, monthly status report; the quarterly report on legal actions and contract claims; and the April 2007 financial statement analysis.

1) Re-appointment of Public Transportation Advisory Council (PTAC) Member in District 2. Jan Vassar was appointed to the PTAC in 2003 to represent District 2. She has agreed to serve another term. Staff recommends re-appointing Member Vassar to the PTAC, representing District 2 through June 2010. Robert Scott's appointment also expires in June 2007. He has asked not to be reappointed to PTAC as the District 6 member. Efforts are underway to replace Member Scott.

2) Relinquishment of SH-79, District 4. The City of Jerome and ITD have approved a Road Closure and Maintenance Agreement for the relinquishment of SH-79. The Official Minute, as shown as Exhibit 337, which is made a part hereof with like effect, authorizes the Right-of-Way Section to transfer the deed of ownership to the City of Jerome.

3) 2015 Statewide Rural Functional Classification Update. An updated rural functional classification map of the state highway system was presented. Each District reviewed its highways to determine if functional classification changes are necessary. No changes are recommended to the statewide rural functional classification map, as shown as Exhibit 338, which is made a part hereof with like effect.

4) Removal of US-30, McCammon to Wyoming State Line, District 5, from the FY07 STIP. Staff requested removing US-30, McCammon to Wyoming State Line, key #9882, from the STIP. This project was in the Program to purchase access control on US-30 as a safety management strategy in areas where the District was unable to program construction projects. Since that time, the Right-of-Way Section has informed the District that the purchase of access is equivalent to purchasing land and property for highway right-of-way in terms of the regulatory and procedural requirements. Because specific construction projects were not programmed, fulfilling the regulatory requirements has become infeasible. The scheduled funds of \$841,000 will be made available for other projects with immediate financial needs.

5) Addition of Discretionary Projects to the FY07 STIP. Staff requested the addition of four project groupings to Discretionary Programs in the FY07 STIP: Public Land - \$1 million; Interstate Maintenance - \$1 million; Transportation Community System Preservation - \$1 million; and Transit 5309 and 5339 - \$3.5 million. The addition of these grouped projects will enable staff to obligate specific projects received under the national application process as soon

as ITD is notified of the project awards. The funding indicated for each grouped project is an estimate and not representative of funding applied for, or the amount of funding to be received.

6) Deletion of Board Policy B-14-01, Damaged or Obsolete Railroad Crossing Gates and/or Signals. Because Department manuals and Idaho Code adequately address the issue of damaged or obsolete railroad crossing gates and/or signals, staff requested rescinding this policy.

7) Revision of Board Policy B-19-01, Financing Construction of State Highways in Cities. This policy describes contractual requirements when the Department is involved with city transportation infrastructure projects. Staff proposed a minor revision to this policy, last signed in 1993, to make it current.

8) Contract Award Information. The low bid on key #10955 – US-93/SH-28, Signal Upgrades, District 6, was more than ten percent over the engineer's estimate, requiring justification. The main difference between the engineer's estimate and the low bid was in the lump sum pay items for Traffic Signal Installation and Multiple Approach Video Detection System. The District believes inflation in the cost of construction materials, particularly steel and copper, and a limited number of signal cabinets available to meet ITD's specifications resulted in this bid exceeding the engineer's estimate. Staff has identified operating funds that can be shifted to this project. It does not believe a lower bid will result if the project is readvertised and recommends awarding the project. Low bidder: Skyview Electric, Inc. - \$96,733.

Key #10515 – US-95, Lauer Road to West Lake Road, District 2. Low bidder: Poe Asphalt Paving, Inc. - \$720,378.

Key #9928 – I-84, Intelligent Transportation System Boise to Mountain Home, District 3. Low bidder: Quality Electric Inc. - \$133,231.

Key #8883 – SH-6, Washington State Line to Junction US-95/SH-6, District 2. Low bidder: Scarsella Brothers, Inc. - \$3,594,595.

Key #9563 – US-26, Ririe to Clark Hill, Bonneville County, District 6. Low bidder: H-K Contractors Inc. – \$4,869,182.

Key #9448 – US-95, Sandpoint Long Bridge, District 1. Low bidder: Restruction Corporation - \$1,737,542.

Key #8918 – I-90, Washington State Line to Sherman Avenue, Coeur d'Alene, District 1. Low bidder: Poe Asphalt Paving, Inc. - \$5,796,344.

The low bid on key #9652 – I-15B, FY07 District 6 Districtwide Signal Upgrades was more than ten percent over the engineer's estimate, requiring justification. The main difference between the engineer's estimate and the low bid was in the Traffic Signal Installation item. The District believes inflation in the cost of construction materials, particularly steel and copper, and a limited number of signal cabinets available to meet the current ITD specification resulted in this bid exceeding the engineer's estimate. The District has identified operating funds that can be shifted to this project. Staff does not believe a lower bid will result if the project is readvertised and recommends awarding the project. Low bidder: Skyview Electric, Inc. - \$224,500.

The low bid on key #9392 – US-20, Junction US-95 to Notus East City Limits, District 3, was more than ten percent over the engineer's estimate, requiring justification. Bid item 405-180A, PG 70-28 ASPH for PL MX accounted for the major difference between the engineer's estimate and the low bid. Staff believes this was due to the inadequate bid history for this item. The District does not anticipate lower bids if the project is readvertised and recommends awarding the contract. Low bidder: Western Construction, Inc. - \$2,635,754.

Key #8968 and #9117 – I-86B, Rockland Interchange to Idaho Street, American Falls and SH-39, American Falls Area, Sealcoats, District 5. Low bidder: Jack B Parson Companies - \$1,768,753.

Key #8990 - I-15/SH-36, Deep Creek Interchange Bridge, Oneida County, District 5. Low bidder: Idaho Construction Company - \$489,704.

Key #10954 – FY07 Districtwide Seal Coats, District 1. Low bidder: Poe Asphalt Paving, Inc. - \$1,303,027.

Key #9888 - SH-34, 4800 North to 7400 North, Franklin County, District 5. Low bidder: LeGrand Johnson Construction Company - \$1,222,226.

Key #9878 and #9879 – SH-39, Aberdeen to Sterling Road and Sheeptrail Road to Hoff Road, District 5. Low bidder: Mickelson Construction - \$2,128,813.

The low bid on key #9460 - I-90, Cataldo to Pinehurst, District 1 was more than ten percent over the engineer's estimate, requiring justification. The most significant differences between the engineer's estimate and the low bid were in the milling and paving items. Considering the recent rise in fuel costs and the volatility in asphalt paving costs and other inflationary factors, staff believes the low bid is reasonable. The District sees no benefit in revising the design and readvertising the project. Readvertising would force the delay of construction for another year and likely result in increased costs due to continued inflation. Further road deterioration would occur. Staff recommends awarding the contract. Low bidder: Interstate Concrete & Asphalt Company - \$3,347,982.

The low bid on key #9155 – Garden Valley Trail, District 3, was more than ten percent over the engineer's estimate, requiring justification. This was the third time the project was advertised. The latest bids received are reflective of the market value for this type of work. It is reasonable to assume that the costs to perform this type of work will not decrease with time, but will continue to rise as labor and materials have proven to. The sponsor, Garden Valley Recreation District, would like to award this project and has committed an additional \$75,706. Staff concurs with awarding the low bid. Low bidder: McAlvain Construction, Inc. - \$488,858.

The low bid on key #8826 – I-84B, American Legion Boulevard, Mountain Home, District 3, was more than ten percent over the engineer's estimate, requiring justification. The estimate was based on average unit bid prices determined from the latest data available. In reviewing the low bid, no single quantity bust or any other specific reasons for the significant difference in prices was determined. The items with the greatest monetary difference were Americans with Disabilities Act requirements to update 38 urban approaches, pulverization and the CRABS process. Advertising late in the season could have been a factor that contributed to the lack of bidders. Staff believes there is potential for better prices if the project is readvertised. Staff rejected the bid.

9) Program and Construction Obligation Graphs, Monthly Status Reports. As of May 31, approximately \$240 million had been obligated, or 70% of the planned amount. The total amount obligated for construction projects was \$142 million. Project status reports were presented for all 2007 projects.

10) Quarterly Report on Legal Actions and Contract Claims. A summary of legal cases resolved by the Legal Section, a status of current legal cases, and a report on contract claims was presented.

11) April Financial Statement Analysis. Total federal aid revenue for April was 4%, or \$9.9 million, more than through April 2006, but when compared to current year projections is down 15%. Federal indirect cost recovery was \$25 million through the end of the month. Revenue from the Highway Distribution Account was 1.2% more than projections while miscellaneous revenue was on forecast. Expenditures were less than budgeted. In contract construction, the federal program was less than projections by 6.3% and the state program was 36% behind spending projections.

Aviation fuel tax revenue through the end of April was 6.1%, or \$83,000, more than projections. Miscellaneous revenue was 6% less than forecast. Minimal federal funds were received. Overall expenditures were less than budgeted.

In the GARVEE Capital Projects Fund, ITD requested \$15.4 million from bond proceeds.

Expenditures were made on authorized projects. The balance of bond proceeds held in trust by Wells Fargo of \$192 million must be paid out by May 2009. The monthly payments for state match in the GARVEE Debt Service Fund for the months of February through June 2007 are \$524,780. The cash transferred into this Fund was \$2.7 million to match federal funds and the federal transfer amount of \$5.4 million for the debt service payment due in January. The disbursement out of the Fund through the end of April was \$8.1 million, which meets the bonding requirements.

Board Items. Chairman Manning reported on various meetings he attended recently. Discussion topics included access control, federal mandates, the GARVEE Program, and the Department's revenue plan.

Member Coleman attended portions of the Association of Idaho Cities' (AIC) annual conference last week. He said Director's Lowe presentation on the funding plan was well received. AIC approved a resolution in support of the funding plan.

Department Activities. Director Lowe reported that two of the Department's SEP-15 requests have been approved: accelerated start-up of final design and accelerated right-of-way acquisition. Efforts are continuing on the proposal for the Connecting Idaho Partners to act as ITD's agent.

Public Transportation Administrator (PTA) Larry Falkner has announced his retirement, according to Director Lowe. PTA Falkner's last day in the office will be August 31. Efforts to fill that position will be made internally.

Last week, Director Lowe, GARVEE Program Administrator Nestor Fernandez, FHWA Division Administrator Peter Hartman, and FHWA Field Operations Engineer Ed Johnson visited with Oregon Department of Transportation personnel. The main topic of discussion was Oregon's bonding program. Although Oregon is not issuing GARVEE bonds, it has a major bonding program underway. Some discussion was also held on design build and environmental streamlining processes.

In conclusion, Director Lowe said brochures on ITD's funding plan have been published. The brochures will be used in conjunction with the presentations staff is making throughout the state.

Delegation – COMPASS. COMPASS Director of Planning Charles Trainor summarized the recent growth in the Treasure Valley and the projected and platted growth. He talked about the impacts the growth is having on the transportation system and strategies to address those concerns: improved traffic impact studies, improved site design, and arterial access management.

Senator Brad Little emphasized that it is not too late to address the area's transportation issues.

Although there are a number of funding alternatives available, he believes impact fees are a viable option. He also stressed the importance of access control. He believes local entities can provide assistance with access management by working with developers as developments are approved. Senator Little thanked the Board for its time and for its service to the state.

Member Sweeney mentioned the Board's concern with land values that increase due to planned highway projects, resulting in higher right-of-way costs. Senator Little believes that issue can be explored, but he added that private property rights are important and the state needs to pay fair market value. He also questioned the feasibility of using incentives for local entities to help with land-use planning issues such as requiring set-backs or acquiring right-of-way.

In response to Member McClure's question on increasing revenue, Senator Little said impact fees may be a good option. He believes it will be difficult to increase the fuel tax, partly because Idaho needs to be competitive with surrounding states. He suggested developing a number of revenue options and asking the public for comments on the funding scenarios.

Chairman Manning thanked Mr. Trainor for the presentation and Senator Little for his comments and continued service to the state.

Delegation – Valley Regional Transit (VRT). Kelli Fairless, Executive Director, VRT, thanked the Board members for their time. She summarized the 2007 legislative proposal for local option tax. Although there was a diverse group that supported the bill, it did not get out of committee. Efforts are continuing on revenue proposals.

Executive Director Fairless provided results of a recent Ada/Canyon County survey on transportation issues. A majority of respondents believe transportation is an important issue, along with quality of life. Although a high percentage believes public transportation is important or very important and most said they would use public transportation for some of their trips, very few participants were aware of the area's public transportation plans and how public transportation is funded.

In conclusion, Executive Director Fairless highlighted future projects. Efforts will continue on working with developers to integrate land use planning and transportation, encouraging transit friendly development, refining area-specific plans, and legislative outreach for funding.

Chairman Manning thanked Executive Director Fairless for the update on transit activities in the Treasure Valley.

Adopt-A-Highway. Member McClure recognized the Canyon County Sheriff Inmate Labor Detail as the District 3 2006 Adopt-A-Highway group of the year. He thanked the members for

adopting mileposts 17 to 40 on I-84. Member McClure also recognized the Families and Friends of Barb Simkins and Jan Kelly. Karen Simkins and her two granddaughters, Maya and Zoe, picked up litter at Parnell Beach, which is along their adopted portion of SH-55 between mileposts 67 and 69. Because of their concern for nature, particularly the birds that may be harmed by litter, certificates of appreciation were presented to Maya and Zoe.

Cascade Reservoir Airstrip, Potential Costs. Aeronautics Administrator (AA) John DeThomas provided an update on the Department's efforts to apply to the Bureau of Reclamation (BOR) for a long-term permit to operate and manage the Cascade Reservoir Airstrip for public use. The Idaho Aviation Foundation has verbally agreed to fund some of the environmental study costs and some development costs, but those agreements are not in writing. The development capital costs and annual operating costs are estimated to be \$329,000 and \$20,000, respectively. The date for BOR approval of state operation of the airstrip is uncertain because it depends on agreements between the BOR and a private developer among other issues. Once approval is granted, state development of the airstrip could be delayed until funds are available. He added that this airstrip is expected to be popular and receive extensive use.

Member Combo expressed support to continue developing this airstrip.

Aircraft Pilot Manning. Aeronautics Advisory Board (AAB) Chairman Rodger Sorensen said Division of Aeronautics staff and the AAB have reviewed the issue of operating the state's airpool with one versus two pilots. The recommendation is to use two pilots for the state's multi-engine, non-centerline thrust airplanes and one pilot for the single-engine airplanes.

Member Combo made a motion, seconded by Member Blick, to approve the following resolution:
RES. NO. WHEREAS, the Idaho Transportation Board has established an aircraft pool to provide transportation

ITB07-26 of passengers and aircraft operations not involving transportation of passengers but used in the furtherance of state objectives involving such activities as aerial surveys, game counts, and aerial photography; and

WHEREAS, it is the intent of the Board to ensure the highest degree of safety in the state aircraft operations.

NOW THEREFORE BE IT RESOLVED, that the Transportation Board concurs with the Division of Aeronautics and the Idaho Aeronautics Advisory Board that the state's multi-engine, non-centerline thrust airplanes should be flown with two pilots and that the state's single-engine airplanes should be flown with one pilot and authorizes the Aeronautics Administrator to establish and maintain this direction in the Division Flight Operations Manual.

In response to Member Combo's question on complying with Federal Aviation Regulations Part 135 for the operation of aircraft, AAB Chairman Sorensen replied that the twin engine airplanes are operated as safely as commercial aircraft. He added that the Division has improved security for the aircraft operations.

When the Governor flies in any state aircraft, Member McClure believes two pilots should be utilized. AAB Chairman Sorensen questioned singling out the Governor. He believes one pilot in single engine aircraft is very safe. AA DeThomas added that most single engine aircraft are designed for one pilot. Using two pilots may create problems.

The motion passed unanimously.

Proposed Aviation Fuel Tax Increase. AAB Chairman Sorensen said the Aeronautics Division has been forced to reduce various activities due to lack of revenue. State grants to primary airports, normally used to help airports match Federal Aviation Administration grants, have been discontinued. Additionally, fertilizer and weed control has been reduced for state-operated airports. Chairman Sorensen said the Division's revenue has been essentially static for the last ten years; however, the BLS Consumer Price Index has increased by 52%. Fuel taxes provide over 80% of the Division's revenue. The last aviation fuel tax increase was in 1991.

The AAB recommends a \$0.015 (one and a half cent) per gallon fuel tax increase for aviation gasoline and jet fuel. That would result in a seven cent per gallon tax for aviation gasoline and a six cent per gallon tax for jet fuel. At present consumption rates, that will increase revenue by \$429,000 per year. Additionally, the recommendation includes indexing for inflation to allow Division revenue to increase with inflation in future years. AAB Chairman Sorensen added that the Idaho Aviation Association has written in support of this proposed legislation.

Some discussion followed on the possibility that aircraft will fuel in other states if Idaho's tax is increased; however, the consensus of the Board was that a small tax increase would not have much impact. The Board concurred to proceed with the proposed legislation.

AAB Chairman Sorensen thanked the Board for its time and support. He also expressed appreciation for Vice Chairman Sweeney's assistance with and involvement in aviation issues.

Proposed Changes to IDAPA 39.02.75, Names on Drivers' Licenses and Identification Cards. Driver Services Manager Ed Pemble requested changing the above rule to allow apostrophes in names and hyphenated last names on drivers' licenses and identification cards. This will facilitate better customer service by providing more flexibility in naming standards.

Member McClure made a motion, seconded by Member Miller and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, changes are being proposed to IDAPA 39.02.75 – Rules Governing Names on Drivers’
ITB07-27 Licenses and Identification Cards; and

WHEREAS, the proposed changes will facilitate better customer service for driver licensing and identification card applicants, providing more flexibility and reasonability in applying naming standards by allowing apostrophes and hyphens on drivers’ licenses and identification cards.

NOW THEREFORE BE IT RESOLVED, that the proposed changes to IDAPA 39.02.75 shall be adopted by the Idaho Transportation Board in accordance with the Idaho Administrative Procedure Act, Title 67, Chapter 52, Idaho Code, and with the rule-making requirements of the Idaho Transportation Department.

Digital License Plate Update. Vehicle Services Manager (VSM) Amy Smith reported on the Department’s transition to digital license plates. The new equipment for digitized plates was installed last month, although as much of the old inventory as possible will be used. Work is underway to convert current designs to the digital format. The new process where customers order specialty plates that will be issued and mailed by Correctional Industries will be implemented soon. This will eliminate the need for county offices to store 38 specialty plates. VSM Smith said staff is hearing positive comments from the county offices regarding this new process. The first new digital license plate should be issued later this month or early next month.

Chairman Manning thanked VSM Smith for the informative update.

Public Transportation Advisory Council (PTAC) Annual Report. PTAC Chairman Joe Herring provided an update on the PTAC’s activities. He commented on the Board’s reappointment of Jan Vassar as the District 2 PTAC member and said that efforts are underway to replace Robert Scott in District 6. He commended staff’s efforts to align the public transportation program with the STIP update. As PTAC Chair, he participates on the Interagency Working Group (IWG). At a recent meeting, the IWG recognized the need for additional public transportation funding and expressed support for local option taxes.

Chairman Manning thanked PTAC Chairman Herring for the report and for his service.

CARS 511/Web (Traveler Services Advisory Council (TSAC)). Greg Laragan, Assistant Chief Engineer - Operations (ACE-O), recognized Joe Herring as a TSAC member, along with Amanda Hammond from the Governor’s Office, who was in the audience, and Joe Haynes, who was

present earlier. Mr. Herring commended the Department's efforts on the 511 system. He is proud to serve on the TSAC and enhance this importance traveler service information system.

ACE-O Laragan said the Council met last month to consider future enhancements to the system and provide advice on the traveler services budget for FY08 and beyond. A total of \$525,000 has been programmed for FY08. He summarized the Council's recommendations for FY08, longer-term enhancements, and research on other potential amenities to be considered.

Member Blick made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board has established the
Traveler Services Advisory
ITB07-28 Council (TSAC) to provide input to the Board as it sets policy and
provide strategic oversight of the traveler services system; and

WHEREAS, the TSAC met with the Idaho Traveler Services Management Team on
May 29, 2007; and

WHEREAS, the Idaho Traveler Services Management Team presented the TSAC
with a fiscal year 2008 budget limit of \$525,000; and

WHEREAS, the TSAC presented its recommendations of proposed system changes
and enhancements.

NOW THEREFORE BE IT RESOLVED, that the Board does hereby approve the
recommendations of the TSAC and directs the Traveler Services Management Team
to implement the recommendations for proposed enhancements:

- Initiate CARS-Local
- Initiate CARS-CAP
- Expansion of CARS-Alerts for subscription use by the general public
- Television access to traveler services via public access cable channel or public TV
- Ongoing minor system enhancements; and

BE IT FURTHER RESOLVED, that the Board approves the TSAC's
recommendations to focus on the following longer term enhancements:

- CARS call center improvements
- North American HUB to share information with neighboring states
- Cars interface to Commercial Vehicle Services permitting
- Bilingual applications; and

BE IT FURTHER RESOLVED, that the Board also approves the TSAC recommendations for additional research on the following potential enhancements:

- Improved public transportation information
- Personal Data Assistant compatible version of web site
- Motorist decision support tool

Executive Session on Personnel and Legal Issues, Section 67-2345(1) (a), (b), (d), and (f), Idaho Code. Member Miller made a motion to meet in executive session at 11:45 AM to discuss personnel and legal issues. Member McClure seconded the motion and it passed 6-0 by individual roll call vote.

A general discussion was held on pending or probable litigation related to the US-12, passing lane project, the US-93, Twin Falls Alternate Route project, access control issues, an FHWA investigation into right-of-way acquisition procedures, and other matters exempt from disclosure related to contract negotiations.

A general discussion was held on personnel issues related to filling public offices and the evaluation of public officers.

The Board came out of executive session at 1:05 PM. No decisions were made.

Design Build Project Delivery. Roadway Design Engineer (RDE) Damon Allen reviewed the alternative project delivery method of design build to determine its applicability for ITD. He summarized the procurement process. Projects that would be good candidates for this project delivery method are those that are not anticipated to have right-of-way problems or environmental difficulties or the potential for unforeseen problems. RDE Allen stated that enabling legislation would be required to allow ITD to use the design build method. He believes it would be beneficial to work with the industry to pursue this option.

Michael Gifford, Executive Director, Idaho Associated General Contractors, said the state of Idaho permits design build for buildings. Because that authority is fairly new, there is insufficient information to determine its results. If ITD pursues design build, he encouraged using this method on projects under \$50 million to enable Idaho companies to participate. He added that he needs more information on the Department's proposal before he could support it.

American Council of Engineering Companies representative Jim Porter said Idaho's consulting industry has no objections to the design build proposal. He echoed Mr. Gifford's comments on the size of projects and also volunteered to help ITD finalize the proposal.

The consensus of the Board was to have staff proceed with developing legislation for the utilization of the design build project delivery method, working with the Department's partners on the proposal.

Access Management. ACE-O Laragan summarized the efforts of the ITD Access Management Teams. A need for an additional access type as a variant of the existing Type IV that would apply to those state highway system segments that function essentially as a city street was identified. There is also a need for enhanced customer service, simplicity, flexibility, a streamlined appeal process, and a mechanism to work with local jurisdictions and stakeholders to arrive at a mutually agreeable access plan. Staff proposed a Transportation Access Plan that would define the access control standards for a given corridor or segment. It is to be developed in cooperation with local governments, stakeholders, and impacted land owners. The Plan would consider safety issues, traffic volumes, level of service, emergency response, disaster relief/evacuation, commerce, environmental concerns, interfaces with local transportation systems, and statewide transportation connectivity. ACE-O Laragan believes the document will be a valuable tool in managing access in areas that are experiencing extensive growth.

Without objection, the Board authorized staff to proceed with legislation to establish the Transportation Access Plan.

Interagency Regional Operations Center (IROC) Continued Development. Bob Koeberlein, Mobility Services Engineer (MSE), met with Colonel Shawver regarding the statewide communications project the Bureau of Homeland Security (BHS) is leading and the IROC Phase 2. BHS is in the early stages of organizing a multi-agency board to direct the development of an improved statewide communications network that will facilitate direct communications from the White House to Idaho response agencies during times of national or regional disasters. MSE Koeberlein reported that Colonel Shawver was interested in ITD's project and believes there is potential for sharing communications resources.

Additionally, MSE Koeberlein said he met with Colonel Russell of Idaho State Police to brief him on the work done to date on IROC. During the discussions at both meetings, interest was expressed in visiting the Austin, Texas operations center, which the IROC team believes is an excellent model. Later this month, Colonel Shawver, Colonel Russell, DDIR Stokes, and ACE-O Laragan will visit the Austin facility.

Chairman Manning thanked MSE Koberlein for the update. He emphasized the importance of coordinating these efforts with other agencies.

New and Supplemental Professional Agreements Report. The Consultant Administration Unit processed \$2,742,200 in professional, supplemental, and term agreements from May 1 through

May 31, according to Chief Engineer Steve Hutchinson.

Addition of I-84, Franklin Boulevard Bridge, Nampa, Key #10940, District 3 to the FY07 STIP. MTI Amick requested the addition of this project to the Capital Investment Program using GARVEE bonding. In the first and subsequent legislative action on GARVEE bond authorization, the legislature designated I-84, Meridian to Caldwell as a corridor of importance for GARVEE bonding. Last month the Board presentation on GARVEE showed the completion of the east side of the Franklin Boulevard Bridge at milepost 36. The west side is already complete and the east side construction would complete construction on this facility. The project is being requested for addition at this time so design work can begin this year. COMPASS is planning on adding this project to its TIP this month.

Member McClure made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department to publish and

ITB07-29 accomplish a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal, state, and private highway funding; and

WHEREAS, the importance of the I-84, Meridian to Caldwell corridor was highlighted during discussion of GARVEE Authorization in both past legislative sessions; and

WHEREAS, the reconstruction of the Franklin Boulevard Bridge, Nampa, over I-84 is a necessary portion of the above-mentioned corridor; and

WHEREAS, the Connecting Idaho Partners estimate the cost for design, right-of-way, and construction to be \$15.8 million; and

WHEREAS, the Idaho Legislature approved \$250 million in the FY08 GARVEE Authorization this past 2007 legislative session; and

WHEREAS, the schedule for this project is consistent with the fiscally constrained GARVEE Program to be released for July 2007 public involvement within the draft FY08 Statewide Transportation Improvement Program (STIP); and

WHEREAS, the FY08 STIP is not expected to be federally approved until November

2007; and

WHEREAS, the Connecting Idaho Partners must begin work as soon as possible to be able to reach the milestone of Plans, Specifications, and Estimates by the end of state FY08 as scheduled; and

WHEREAS, the Franklin Boulevard Bridge is currently not approved for construction by the Board in the FY07 STIP; and

WHEREAS, it is anticipated that no additional public involvement will be required for adding this project to the STIP; and

WHEREAS, the Community Planning Association of Southwest Idaho Board is reviewing a similar resolution this month.

NOW THEREFORE BE IT RESOLVED, that the Board approves the addition of the I-84, Franklin Boulevard Bridge, Nampa project to state FY08 of the GARVEE Program for a total cost of \$15.8 million; and

BE IT FURTHER RESOLVED, that staff is authorized to make appropriate changes to the FY07 STIP in accordance with the provisions of SAFETEA-LU.

Idaho Transportation Department Contracts. Acting Administrator, Division of Administration Dave Tolman summarized the Department's service contracts and construction contracts. As of May 31, 2007, there are outstanding balances of \$11,530,235 and \$286,281,472 for service and construction contracts, respectively.

2008 Legislative Concept Review. BPIRM Pipal summarized the legislative concepts being considered for the 2008 session. The legislative "IDEA" forms will be presented to the Board for approval next month before being submitted to the Division of Financial Management. With the exception of the revenue proposals, the legislative concepts are all from the Division of Motor Vehicles.

Some discussion was also held on unsecured loads, particularly the agricultural exemption for hay bales. BPIRM Pipal will check the status of that issue.

Old Business. Member Combo made a motion, seconded by Member Blick, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board has discussed and agreed upon a vision for

ITB07-30 rest areas; and

WHEREAS, the Board envisions the maintenance and operation of rest areas at a standard comparable to neighboring states; and

WHEREAS, the cost of constructing and operating rest areas is significant while limited funding is available; and

WHEREAS, the Board intends to leverage opportunities provided by other agencies and the private sector for facilities in addition to those maintained by the Idaho Transportation Department in determining rest area spacing; and

WHEREAS, the Board intends that funding be provided in the Statewide Transportation Improvement Program at a level adequate for maintenance and rehabilitation of existing rest areas; and

WHEREAS, the Board considers rest areas to be a statewide priority.

NOW THEREFORE BE IT RESOLVED, that a \$5 million annual capital investment commitment to the Rest Area Program is to be sustained for the rehabilitation and reconstruction of the 22 rest areas that are maintained by the Department with no new rest areas; and

BE IT FURTHER RESOLVED, that the rest area program be revised annually and brought before the Board for approval; and

BE IT FURTHER RESOLVED, that any proposed changes in the rest area program as a result of identified needs or opportunities or as a result of successful partnerships with other agencies or private entities will be brought to the Board for approval and funding support.

WHEREUPON the Board recessed at 2:35 PM.

June 20, 2007

The Board reconvened at 8:15 AM on Wednesday, June 20, 2007, at the District 3 Office, Boise, Idaho. Chairman Manning, and Members Blick, Combo, and McClure were present. Senator Little and Representative Darrell Bolz were also in attendance.

District 3 Tour. The Board departed west on SH-44. Staff provided presentations on growth in the area, the SH-16 GARVEE project, and corridor plans. The group traveled I-84 west, US-95 south, and US-20 east, with additional presentations from staff on various projects along the way. After a stop at the I-84, Franklin Interchange construction site in Caldwell, the Board met local officials at Albertsons College for lunch.

Delegation – Cities of Nampa and Caldwell. Senator John McGee welcomed the Board to Caldwell. He thanked the members for their time and service.

Caldwell City Engineer Gordon Law relayed Caldwell Mayor Garrett Nancolas' apologies for being unable to attend the luncheon due to a prior commitment. Mr. Law commented on the importance of access control. Although access is important for the area's economy, he understands the state's need to address capacity and safety. He proposed establishing US-20/26 between Caldwell and Boise as a freeway with frontage roads. He also commented that the land use process should be used to help address funding concerns. Local governments can require developers to contribute for transportation projects.

Nampa Mayor Tom Dale thanked the Board members for their time. He acknowledged the vast challenges in the transportation arena. He believes the Forum on Transportation Investment established a good foundation to address funding concerns. Mayor Dale relayed the Association of Idaho Cities' support for additional revenue and emphasized the need to address the state's transportation system. He also stressed the importance of working together as a region to address transportation concerns in the Treasure Valley. In conclusion, he thanked the District staff for its assistance and the Board for its service.

The Board traveled I-84B and I-84 east to the newly reconstructed Blacks Creek Rest Area. It returned to the District 3 Office via I-84 west and US-20 west.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 3 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
July 19, 2007
Rigby, Idaho

REGULAR MEETING AND DISTRICT SIX TOUR
OF THE IDAHO TRANSPORTATION BOARD

July 18-19, 2007

The Idaho Transportation Board met at 9:15 AM, on Wednesday, July 18, 2007, at West Yellowstone, Montana. The following principals were present:

Darrell V Manning, Chairman
Bruce Sweeney, Vice Chairman – District 2
Jim Coleman, Member – District 1
Monte C. McClure, Member – District 3
Neil Miller, Member – District 5
John X. Combo, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Board Secretary

Representatives JoAn Wood and Dean Mortimer were also present. The group departed West Yellowstone west on US-20. It stopped at the SH-87 paving project underway and the recently completed Henry's Lake Fish Passage project.

The tour continued on US-20 and SH-33 south to Driggs.

The Board had lunch at the Driggs Maintenance Shed with maintenance employees. It then traveled south on SH-33 and SH-31 and west on US-26 to Idaho Falls. Staff briefed the Board on various projects and activities in the area throughout the tour.

WHEREUPON the tour recessed at 4:20 PM.

July 19, 2007

The Board reconvened at 8:30 AM on Thursday, July 19, 2007, at the District 6 Office in Rigby, Idaho. All members were present except Members McClure and Gary Blick, District 4.

June 18-20, 2007 Board Minutes. Vice Chairman Sweeney made a motion to approve the minutes of the regular Board meeting held on June 18-20, 2007 as submitted. Member Coleman seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:

August 15-16, 2007 – District 1

September 19-20, 2007 – District 5

October 24-25, 2007 – Boise

Consent Calendar. Vice Chairman Sweeney made a motion, seconded by Member Miller and passed unopposed, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves delaying

ITB07-31 local bridge projects from FY07 to FY09 and amending the Statewide Transportation Improvement Program, and has received and reviewed the FY06 state fuel tax evasions project report; the 2008 strategic plan submittal to the Division of Financial Management; the program and district obligation graphs and tables, monthly status reports; the contract award information; the administrative and legal settlements of right-of-way acquisitions; the summary of FY07 items submitted to the Board of Examiners; and the May 2007 financial statement analysis.

1) Delaying Local Bridge Projects from FY07 to FY09 and Amending the FY07 STIP. The Local Highway Technical Assistance Council (LHTAC) and Boundary County requested delaying the Deep Creek Bridge #2, key #8773 and Deep Creek Bridge #4, key #8772 projects from FY07 to FY09 due to environmental issues. The \$798,000 made available in FY07 will be used on other programmed projects where additional funds are needed. The Local Bridge Program has a sufficient balance in FY09 to accommodate the delayed projects.

2) FY06 State Fuel Tax Evasions Project Report. During FY99 through FY06, the State Tax Commission spent \$462,524 of federal STP funds for fuel tax evasion efforts and recovered \$3,811,760 in unreported fuels taxes. When the Commission initially requested funding, it committed to a recovery rate of 3 to 1, but the actual experience has been 8.2 to 1 for the last 8 years. The draft STIP includes \$82,000 for FY08 to continue the fuel tax evasion efforts. The majority of funds would be used for personnel to crosscheck fuel distributor reports, review import/export reports, and investigate activities involving unlicensed distributors. Some of the money would also be used for travel expenses for auditors to conduct joint audits with other states when a compliance problem exists.

3) 2008 Strategic Plan Submittal to Division of Financial Management (DFM). Per Idaho Code, the Department's 2008 Strategic Plan was submitted to DFM by July 1. A copy of the plan and information on the Performance Measurement Report, which is due to DFM by September 1, were provided.

4) Program and Construction Obligation Graphs, Monthly Status Reports. As of June 30, \$253.4

million had been obligated, or 74% of the planned amount. The total amount obligated for construction projects was \$145 million. Project status reports were presented for all 2007 projects.

5) Contract Award Information. Key #9103 – SH-55, Jacob Street Turn Lane, McCall, District 3. Low bidder: Crea Construction, Inc. - \$247,497.

Key #9102 – SH-21, Grand Forest Drive Turnbay, Ada County, District 3. Low bidder: Knife River dba Hap Taylor & Sons Inc. - \$205,490.

Key #9348 – SH-51, Duck Valley Res to Sheep Creek Road, Owyhee County, District 3. Low bidder: Debco - \$2,100,122.

Key #9149 – Great Pend Oreille River Trail Segment 5, District 1. Low bidder: Crea Construction, Inc. – \$301,506.

Key #10961 – US-20, Ucon Interchange #315, District 6. Low bidder: Wheeler Electric Inc. - \$178,470.

Key #9230 – I-15, Interstate Fence Repair and Replace, District 5. Low bidder: KB Fabrication & Welding, Inc. - \$649,527.

Key #9376, #9374, #9380, #9378, and #9377 – Ovid to Junction US-30, Montpelier; WFB to Strawberry Summit, Franklin County; Geneva to Wyoming State Line; Bennington to Montpelier; and Montpelier City Limits; District 5. Low bidder: H-K Contractors Inc. - \$1,282,383.

Key #9382, #9375, and #9370 – Junction SH-34 to Soda Springs East City Limits; Bear River Bridge to Niter Bench Road; and Redrock to Downata, District 5. Low bidder: Intermountain Slurry Seal, Inc. - \$1,335,030.

The low bid on key #8361 – Lolo Creek Bridge, Idaho County, District 2 was more than ten percent over the engineer's estimate, requiring justification. LHTAC examined the bid abstract and determined that two bid items were especially high: Aggregate for Base and Prestressed Stringers. The high bid for the Aggregate for Base item was probably due to the remote site. LHTAC does not believe there is an advantage to rejecting bids and re-advertising the project. It recommends awarding the project and has identified funding to offset the higher bid. Low bidder: RSCI - \$681,961.

The low bid on key #10952 – FY07 08 Districtwide Seal Coats, District 2, was more than ten percent over the engineer's estimate, requiring justification. The source of the engineer's estimate

was the Bid History Price Report within the Estimator Program, the Average Unit Price Report for similar jobs within the District, and information received prior to the bid about the cost of asphalt increasing. The majority of the contract items had costs above the engineer's estimate, however, the Pl. Mix Seal Ty. PMS-MG; 4-inch Line Inlaid Meth. Methacrylate; and Seal Coating made up the majority of the differences. The District also believes that the limited competition for seal coat work in District 2 contributed to the high bid. Rebidding the project will not likely result in more competition or a lower bid, so staff recommends awarding the project. Low bidder: Poe Asphalt Paving, Inc. - \$1,678,590.

The low bid on key #9755 – Latah Trail, Moscow to Troy, Stage 3, District 2, was more than ten percent over the engineer's estimate, requiring justification. The majority of difference between the low bid and engineer's estimate was in Aggregate for Base, Pedestrian Bridge, Ballast Subgrade Preparation, and Mobilization. The sponsor, Latah County, does not have the additional funds needed to award the contract and requested rejecting the bids. Staff concurred.

6) Administrative and Legal Settlements of Right-of-Way Acquisitions. During the period of January 1 through June 30, 2007, the Right-of-Way Section processed 71 parcels. There were 22 administrative settlements and 4 legal settlements during this time frame.

7) Summary of FY07 Items Submitted to the Board of Examiners. In November 2006 ITD submitted to the Board of Examiners a request for authorization to reimburse real estate expenses for a new director. The request was for an amount up to \$45,000, which is the maximum allowed under the Board of Examiner's Real Estate Policy. The Board of Examiners subcommittee requested that this request not be acted upon unless the Department actually hired a new director that would need this benefit. This request and benefit was not necessary.

8) May Financial Statement Analysis. Total federal aid revenue for May was 8%, or \$19 million, more than through May 2006, but when compared to current year projections is down 14%. Federal indirect cost recovery was \$26.8 million through the end of the month. Revenue from the Highway Distribution Account was 1.7% more than projections while miscellaneous revenue was on forecast. Expenditures were less than budgeted. In contract construction, the federal program was less than projections by 6.5% and the state program was 37% behind spending projections.

Aviation fuel tax revenue through the end of May was 4.1%, or \$62,000, more than projections. Miscellaneous revenue was 4% less than forecast. Minimal federal funds were received. Overall expenditures were less than budgeted.

In the GARVEE Capital Projects Fund, ITD requested \$20.7 million from bond proceeds. Expenditures were made on authorized projects. Utilization of bond proceeds was \$8.9 million less than the cash flow projected through the end of May. The balance of bond proceeds held in

trust by Wells Fargo of \$187.6 million must be paid out by May 2009. The monthly payments for state match in the GARVEE Debt Service Fund for the months of February through June 2007 are \$524,780. The cash transferred into this Fund was \$3.8 million to match federal funds, the federal transfer amount of \$5.4 million for the debt service payment due in January, and \$7.8 million for the July debt service payment. The disbursement out of the Fund through the end of May was \$8.7 million, which meets the bonding requirements.

Board Items. Chairman Manning reported on various meetings he attended recently. Some of the topics of discussion were public transportation, highway conditions, and surplus property.

Members McClure and Blick joined the meeting at this time.

Director's Report. Director Lowe distributed draft brochures that staff is finalizing. One provides quick facts on Idaho's highway revenue shortfall and the other provides guidelines on highway advertising signs.

Director Lowe reported that efforts are proceeding to construct a new I-90, Beck Road Interchange, funded through the Sales Tax Anticipation Revenue legislation. An agreement is being developed for the District 1 project; however, it can be used as a template for other STAR projects throughout the state. Staff will meet with the Tax Commission soon and develop an agreement with that entity for the I-90 project.

Director Lowe mentioned the SEP 15 approval allowing for final design before the environmental work and acquiring some right-of-way before completing the environmental document has been completed on GARVEE projects. That process may be applicable to pursue for other, non-GARVEE, projects.

Director Lowe believes a recent partnering meeting with FHWA and the Connecting Idaho Partners (CIP) went well. Methods to improve the process were identified. CIP and Headquarters staff will meet with Districts that have GARVEE projects programmed.

Last week Congress announced its transportation appropriations bills, according to Director Lowe. Although the two versions differ, some of the projects included in either one or both House and Senate bills are the City of Rocks backcountry byway; the I-84, Franklin Interchange; I-84, Curtis to Broadway; and the Banks to Lowman highway.

Director Lowe announced that Joe Haynes, Administrator, Local Highway Technical Assistance Council (LHTAC) will be retiring in September. She thanked him for his service. The Board also extended its appreciation to the assistance Administrator Haynes has provided and for the partnership he has established with ITD.

Director Lowe provided an update on the GARVEE Program. A log tracking the status of various approvals has been developed.

Director Lowe said revised projections for the federal Highway Trust Fund indicate the FY09 funding level could be 30% less than earlier estimated.

Board Items, Continued. Member Blick mentioned that District 4 is concerned with bungee jumping activity from the US-93, Perrine Bridge. Due to the potential for damage to the structure, he asked DAG Vogt to research options to address this concern.

Delegation – Targhee Regional Public Transportation Authority (TRPTA). Lynn Seymour, Administrator, TRPTA, thanked the Board members for their time. She provided an update on TRPTA's new facility, which is under construction. She has been working with ITD staff on a proposal to transfer money from the Urban fund to the Rural Program. This would significantly reduce the local's required match. She believes this request will be on the Board's agenda next month. Administrator Seymour expressed appreciation to Public Transportation Administrator Larry Falkner and Senior Transportation Planner Janet Weaver for the assistance they have been providing, particularly with the transfer of funds. She added that the total cost of the new facility is \$1.8 million, the land was donated, and Bonneville Metropolitan Planning Organization will rent office space at the facility.

Chairman Manning thanked Administrator Seymour for the update on the new facility.

Adopt-A-Highway. Member Combo said Boy Scouts of America Troop 12 from Idaho Falls has been selected the District's 2006 Adopt-A-Highway group of the year. Although the group had a conflict and was not able to attend the meeting, Member Combo recognized the service the Boy Scouts have been providing on US-26 from milepost 344 to 346 since 1990.

Request to Exceed Term Limits. LHTAC Administrator Haynes said when design costs for local projects are not expected to exceed \$250,000, local agencies can select a consultant from the Department's term agreement list. Additional work on the Twin Falls Washington Street project, key #8469, is expected to cost an additional \$516,300. LHTAC Administrator Haynes requested Board approval to increase the agreement to complete the design work on this local project.

Member Combo made a motion, seconded by Vice Chairman Sweeney, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available

ITB07-32 federal-aid funding; and

WHEREAS, the requested funding is for a continuation of project development services already being provided on the project; and

WHEREAS, the City of Twin Falls has available funding for its federal-aid match.

NOW THEREFORE BE IT RESOLVED, that an increase of \$516,300 to the agreement is approved to complete the development to Plans, Specifications, and Estimates for the local Washington Street, Twin Falls project, key #8469.

New and Supplemental Professional Agreements Report. The Consultant Administration Unit processed \$5,665,900 in professional, supplemental, and term agreements from June 1 through June 30, according to Chief Engineer Steve Hutchinson.

State Highway System Pavement Preservation Investment Review. Planning Services Manager Gary Sanderson said the deficient pavements on the state highway system were reduced from 38% in 1993 to 15% in 2002. Since 2003, the deficient pavement has climbed to almost 20%. There is little expectation that the current pavement investment strategy will curtail the upward trend in deficient pavement with continued, even moderate, inflation and decreasing funding for highway construction. He summarized staff's potential strategies to return deficient pavements to 18%, which is the measurement criteria reported in the Department's Strategic Plan. A total of 640 lane miles in addition to those already programmed need to be improved to realize this goal. Some of the tactics to address the deficient pavement include focusing funds on deficient sections, moving CRABS projects to the Restoration Program, and sealcoating low-truck-volume routes.

The consensus of the Board was to have staff proceed with the potential strategies that may reduce the state's deficient pavements to 18%. The Board also discussed that these were temporary strategies and not long-term solutions to improving the pavement infrastructure.

Presentation of Idahobyways.gov Web Site. Scenic Byways Program Manager Garry Young said ITD and the Idaho Division of Tourism partnered to design a new web site to promote Idaho's scenic byways. Funded by a federal grant of \$27,500 with matching funds of \$7,000 provided by the Division of Tourism, the web site has interactive features that guide a prospective traveler to sites along all of Idaho's 27 scenic, historic, and back country byways. The Division of Tourism is planning to spend up to \$40,000 to promote the web site. Mr. Young demonstrated the interactive site. He also expressed appreciation for management's support of the important scenic byway program.

The Board commended Mr. Young on the development of this web site and for the continued

efforts to promote scenic byways and tourism.

Request to Increase Maximum Award on the City Landscape Program. Intermodal Program Manager Patricia Raino reported that the Department of Lands has requested increasing the maximum award size of Community Transportation Enhancement Program projects it administers from \$15,000 to \$30,000. The program is a \$200,000 enhancement project that provides small grants for urban transportation corridor landscaping projects. The Department of Lands is redirecting its focus to asset management. This is resulting in the need to cut back on many of its existing tasks. Increasing the Community Transportation Enhancement Program funding to \$30,000 per project would reduce the administrative workload. Although it will mean fewer grants for communities, it will help offset increasing costs of project materials and labor for the sub-grant recipients.

Some Board members expressed concern that this change has the potential to negatively impact small communities.

Member McClure made a motion, seconded by Member Miller, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, it is in the best interest of the highway program to manage and fully use federal-aid funding

ITB07-33 available for transportation enhancement projects efficiently; and

WHEREAS, the Idaho Department of Lands (IDL) has managed a successful project called the Community Transportation Enhancement (CTE) Program for the past eight years; and

WHEREAS, the maximum award for a CTE project has been \$15,000; and

WHEREAS, IDL has new strategic objectives that require it to minimize the time it expends to administer this program; and

WHEREAS, the cost associated with plantings and landscape work associated with the program has also increased over time.

NOW THEREFORE BE IT RESOLVED, that the maximum award for a CTE project be increased to \$30,000.

2008 Legislative Idea Review. Budget, Policy, and Intergovernmental Relations Manager Julie Pipal summarized the 21 legislative proposals for 2008. Ten ideas from the Division of Motor Vehicles, including proposals from the Dealer Advisory Board, design build, and the

transportation access plan are included in the package. In addition to the revenue proposals developed in 2006, an increase to the aviation fuel tax and dedicated funding for public transportation are also included. The proposed mechanisms to raise \$3 million annually, a portion of which would go to a dedicated public transportation fund, include a \$10 increase to the driver's license fee; a \$1.70 vehicle use fee on registrations; or a title fee increase of \$5.

The majority of the Board's discussion focused on the revenue proposals. There was concern with specifying that \$200 million in additional revenue is needed because the Forum on Transportation Investment number was based on 2005 dollars and has not been factored for inflation. Additionally, Director Lowe reported that the Highway Needs Assessment Study is being updated. That study should be completed in September and may impact the amount of additional revenue needed. The consensus of the Board was to provide an overall funding goal with options for additional revenue without specifying an amount for each option and to justify the dollar amount being requested, be it for highways, public transportation, or aviation.

Vice Chairman Sweeney made a motion, seconded by Member Coleman, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Governor's Office has requested that state agencies submit proposed 2008 legislation

ITB07-34 to the Division of Financial Management for review and approval; and

WHEREAS, the Idaho Transportation Department Executive Team has approved the "Legislative IDEA Submittal Forms" as to concept and has submitted them to the Idaho Transportation Board for review and approval prior to submission to the Division of Financial Management.

NOW THEREFORE BE IT RESOLVED, that the Board approves submittal of the "Legislative IDEA Submittal Forms", as shown as Exhibit 340, which is made a part hereof with like effect, to the Division of Financial Management, and, upon approval, the development by ITD staff of draft legislation to be included as part of the Governor's 2008 legislative package, dependent upon subsequent review and approval by the Board and the Division of Financial Management.

See later minute entry.

Executive Session on Legal Issues, Section 67-2345(1)(f), Idaho Code. Vice Chairman Sweeney made a motion to meet in executive session at 11:20 AM to discuss legal issues. Member Blick seconded the motion and it passed 6-0 by individual roll call vote.

A general discussion was held on pending or probable litigation related to Americans with

Disabilities' Act compliance; the US-95, Electrical Substation to Smith Creek project; the US-93, Twin Falls Alternate Route project; an FHWA investigation into right-of-way acquisition procedures; and the operation of the state highway system.

The Board came out of executive session at 12:50 PM. No decisions were made.

Updates – Americans with Disabilities' (ADA) Transition Plan Project and Disadvantaged Business Enterprise Program Disparity Study. Equal Employment Office Manager (EEOM) Karen Sparkman said staff is preparing to inventory the state highway system for ADA compliance. Upon completion of that step, a transition plan will be developed to address the non-compliant findings.

EEOM Sparkman also reported that the disparity study is proceeding well. The report should be ready for the Director's review in October and will then be provided to the Board.

Chairman Manning thanked EEOM Sparkman for the update on those two issues.

Old/New Business. Vice Chairman Sweeney made a motion, seconded by Member McClure, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, the staff of the Idaho Transportation Department has received an offer to settle

ITB07-35 the case of *Parkins et al v. State* for \$400,000 including interest, costs, and attorney fees; and

WHEREAS, this total settlement in the amount of \$400,000 is just compensation for the property taken for right-of-way acquisition in the US-95, Electrical Substation to Smith Creek project in Benewah and Latah Counties.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board hereby approves a settlement in the amount of \$400,000 as just compensation for acquisition of the real property taken in the case of *Parkins et al v. State*.

Vice Chairman Sweeney made a motion, seconded by Member McClure, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Forum on Transportation Investment recommended that the shortfall on transportation

ITB07-36 infrastructure needs in Idaho was an estimated \$200 million annually, based on 2005 data; and

WHEREAS, the Forum on Transportation Investment recommended that public

transportation be addressed as a part of Idaho's comprehensive transportation solution of the future; and

WHEREAS, the Idaho Transportation Board directed staff to submit legislative idea forms #1-21 to the Division of Financial Management in accordance with established procedures.

NOW THEREFORE BE IT RESOLVED, that the Board further directs staff to submit legislative ideas #14-19 and 21 as a package for the purpose of generating a minimum of \$200 million in annual revenue for transportation infrastructure needs and for establishing a dedicated state funding source for public transportation.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 1 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
August 16, 2007
Coeur d'Alene, Idaho

REGULAR MEETING AND DISTRICT ONE TOUR OF THE IDAHO TRANSPORTATION BOARD

August 15-16, 2007

The Idaho Transportation Board met at 7:00 AM, on Wednesday, August 15, 2007, at the District 1 Office in Coeur d'Alene, Idaho. The following principals were present:

Darrell V Manning, Chairman
Jim Coleman, Member – District 1
Monte C. McClure, Member – District 3
Gary Blick, Member – District 4
Neil Miller, Member – District 5
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Board Secretary

Meeting with Kootenai Metropolitan Planning Organization (KMPO). District 1 Engineer (DE) Damon Allen welcomed the group to the District Office. Assistant District Engineer (ADE) Andrea Storjohann expressed appreciation to KMPO for the good working relationship that the two entities have established.

Allen Eirls, Transportation Manager, Coeur d'Alene Tribe, provided an overview on CityLink. CityLink is a successful partnership between the Tribe and KMPO to provide public transportation service to rural and urban Kootenai County. Ridership continues to increase and additional routes are needed to accommodate the demand for service. Mr. Eirls said CityLink's future plans include hiring a consultant to assist with routing and operational evaluations, coordinating the schedules and service areas with other local transit providers, purchasing at least four new buses, improving signing, and establishing an aggressive marketing campaign.

Glenn Miles, KMPO executive director, provided an update on the Heutter Road corridor study. The proposal would provide another north-south route between US-95 and SH-53 and would help address the transportation concerns in the fast-growing Post Falls area. Now that the corridor has been identified, the local entities will be asked to adopt it and incorporate it in their comprehensive plans. Mr. Miles is optimistic that the right-of-way for the six-lane facility can be secured through land-use planning efforts.

Mr. Miles also briefed the Board on other projects in the area. He commented on the continued development along SH-97 and expressed safety concerns on that route. He also mentioned that the Safe, Accountable, Flexible and Efficient Transportation Equity Act – A Legacy for Users

provided \$5 million for the Bridging the Valley project. KMPO hopes to advance the Rathdrum overpass project.

DDIR Stokes welcomed Senator John Goedde and Representative Dick Harwood to the meeting. He provided a presentation on the state's transportation needs and funding concerns. He requested KMPO's support to increase the state's transportation revenue.

Member McClure emphasized that the \$200 million needed to address the state's backlog of projects is based on 2005 figures. With inflation, the amount needed now is probably between \$230 and \$250 million. KMPO representative Dixie Reid suggested indexing the transportation revenue as a way to keep up with inflation and the decreasing buying power. If the funding is not indexed, the state will have a shortfall of revenue in a few years. She believes it is imperative for revenue to keep up with the transportation demands.

KMPO Vice Chairman and Post Falls Mayor Clay Larkin thanked the Board for meeting with KMPO. He believes communication is essential and encouraged the two groups to meet on a regular basis.

District 1 Tour. The Board traveled south on US-95 to Plummer, with stops along the way to view various projects.

During an informal lunch at the Plummer Maintenance Shed, employees provided a presentation on a guardrail post remover. The invention by John Reed saves time and money for the maintenance personnel and also increases safety during maintenance activities.

Intermountain Forest Association representative Jane Wittmeyer provided an overview on the Association. Various timber-related industries, such as logging and paper mills, belong to the entity. She emphasized the importance of transportation to the forest industry, as it competes in a global market.

The tour continued east on SH-5. At the St. Maries Airport, Airport Board Chairman Dale Pritchard provided an overview on the facility. He expressed appreciation to the Department for the recently completed reconstruction project and for the assistance it will be providing with the taxiway extension next year and runway extension planned in 2010. Mr. Pritchard said that traffic has increased significantly at the airport in the past 10 years and it has been challenging to keep up with the growing demands at the facility.

Benewah County Commissioner Jack Buell expressed concern with the poor condition of rural roads. He mentioned improvements that are needed to SH-5 and commented on the extensive traffic on US-95 south of Sandpoint. He acknowledged the state's funding crisis for

transportation and said that the County cannot keep up with its maintenance needs. He thanked the Board for visiting St. Maries.

The Board traveled SH-3 and SH-97 north to Harrison. After a brief stop to view the Harrison Bridge under construction, the group traveled south on SH-97, north on SH-3 and west on I-90 to Coeur d'Alene.

WHEREUPON the tour recessed at 4 PM.

August 16, 2007

The Board reconvened at 8:30 AM on Thursday, August 16, 2007, at the District 1 Office. In addition to the members who participated in yesterday's tour, John X. Combo, District 6, was also present.

July 18-19, 2007 Board Minutes. Member Combo made a motion to approve the minutes of the regular Board meeting held on July 18-19, 2007 as submitted. Member Coleman seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:

September 19-20, 2007 – District 5

October 24-25, 2007 – Boise

November 14-15, 2007 – Boise

Consent Calendar. Member Combo expressed support for the District 6 Public Transportation Advisory Council nomination. He believes Karen Cornwell is a well-qualified candidate and will be a valuable addition to the Council.

Member Blick made a motion, seconded by Member Miller and passed unopposed, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the Targhee Regional

ITB07-37 Public Transportation Authority request to transfer funds;
appointment of District 6 Public Transportation Advisory Council Member;
appointment of Gwen Smith, Public Involvement Coordinator, as hearing officer; the
annual account write-off; revisions to Board Policy B-01-16, Open Meeting

Requirements; the winter maintenance standards of state highways; and revisions to Board Policy B-05-06, Winter Maintenance Standards on State Highways; and has received and reviewed the Inland Pacific Hub: A Global Reach for Commerce; the program and district obligation graphs and tables, monthly status reports; an update on the revenue communication plan; the FY07 out-of-state travel report; the annual return check report for FY07; and the June 2007 financial statement analysis.

- 1) Targhee Regional Public Transportation Authority (TRPTA) Request to Transfer Funds. In 2006, TRPTA merged with the previous rural transit provider. It is now building an office and maintenance facility to serve both urban and rural operations, therefore, funds from both the urban and rural programs are eligible for use. TRPTA is requesting to transfer \$1.1 million of Section 5307 Urban Funds to the Section 5311 Rural Program to be administered by ITD. This transfer would occur over two federal fiscal years, but would be used in one state budget year. The Bonneville Metropolitan Planning Organization has endorsed the transfer of \$552,713 in federal fiscal year 2007 and \$547,287 in FY08. This transfer will save TRPTA approximately \$135,000 in local match because the transfer will change the match requirement. Additionally, because the money is not currently in the Department's state FY08 budget, staff will work with the Division of Financial Management to increase the Division of Public Transportation's federal spending authority by up to \$1.1 million.
- 2) Appointment of District 6 Public Transportation Advisory Council (PTAC) Member. ITD has been seeking applications for a new PTAC member to represent District 6. Staff recommends appointing Karen Cornwell to replace Robert Scott, Jr., whose term has expired. Ms. Cornwell would serve a three-year term that will expire June 2010.
- 3) Appoint Gwen Smith, Public Involvement Coordinator (PIC), as a Hearing Officer for the Board. PIC Smith conducts hearings for the Department. Currently, a Board-approved hearing officer accompanies PIC Smith to receive and certify oral and written testimony. At hearings where attendance is expected to be light, one person could be sent to the hearing. In an effort to be more cost effective and efficient, staff recommends appointing Gwen Smith as a hearing officer for the Board.
- 4) Annual Account Write Off. ITD policy requires that all uncollectible accounts exceeding \$1,000 be reviewed and approved for write-off by the Board. The Director or a designee reviews and approves for write-off all accounts less than \$1,000. For FY07, staff determined 114 accounts totaling \$98,247.14 to be uncollectible. It requested Board approval to write off 29 accounts totaling \$86,311.34, as shown as Exhibit 341, which is made a part hereof with like effect. The amount is an increase from 11 accounts totaling \$38,799.13 in state FY06. A total of 85 accounts in amounts less than \$1,000 have been determined as uncollectible. The total of these accounts is \$11,935.80. The outstanding receivables are more than three years delinquent and are the result

of unpaid weight distance taxes, commercial carrier registration fees, reinstatement fees, and other miscellaneous fees.

5) Revisions to Board Policy B-01-16, Open Meeting Requirements. Board Policy B-01-16 outlines the requirements the Board and Department follow under Idaho's Open Meeting Law. The policy provides details on notice and record keeping requirements for regular meetings and prerequisites for special meetings and executive sessions. The policy has been revised to identify new committees created and old committees dissolved since the policy was signed in 1994 that are to follow the Open Meeting Law requirements.

6) Revisions to Board Policy B-05-06, Winter Maintenance Standards on State Highways. Minor revisions were made to B-05-06, which was last signed in 1995.

7) Winter Maintenance Standards on State Highways. Staff reviewed the levels of winter maintenance within each District and across the District boundaries per Board policy. No changes to the level of service definitions or map are proposed. The 2006-2007 winter maintenance standards map, which is to be used for the 2007-2008 winter season, is shown as Exhibit 342, which is made a part hereof with like effect.

8) The Inland Pacific Hub: A Global Reach for Commerce. An effort is underway to connect northern Idaho and eastern Washington to the global marketplace. The concept incorporates the highway and rail international border crossings at Eastport, the Port of Lewiston, the Spokane airport, US-95, US-395, and I-90. A proposed feasibility study would analyze the capacity for development of a globally connected, multi-modal transportation gateway, and the potential economic impact such a gateway would have on the region's economy. The plan would identify and prioritize the region's future critical transportation infrastructure requirements. The Washington State Legislature appropriated \$250,000 for the estimated \$1 million needed for the study. To date, Idaho has not committed funding for the study. Federal earmarks will likely be sought.

9) Program and Construction Obligation Graphs, Monthly Status Reports. As of July 31, \$274.2 million had been obligated, or 80% of the planned amount. The total amount obligated for construction projects was \$189 million. Obligation information by program and district and project status reports for all 2007 projects were also presented.

10) Update on Revenue Communication Plan. To date, approximately 50 presentations on the state's transportation revenue needs have been made to a combined audience of about 2,300. Letters or resolutions of support for increasing Idaho's transportation funding have been received from six entities with others indicating they will provide letters of support. Copies of the letters and resolutions of support, the revenue presentation log, and media coverage about the state's

transportation revenue needs were provided.

11) Out-of-State Travel. In FY07, an estimated 288 out-of-state trips were taken totaling \$236,887. The budgeted amount was \$426,120. There were 50 direct reimbursement trips, although those expenses are not reflected in the total expenditures or budgeted amount.

12) Annual Returned Check Report. During FY07, \$45,817,642 in checks were received, while 179 checks, or 0.46%, totaling \$210,779 were returned. Collection of returned checks equaled \$226,411 for an annual collection rate of 107.4%.

13) June Financial Statement Analysis. Total federal aid revenue for FY07 was \$291.8 million. This mount is \$22.9 million more than the previous year. Federal indirect cost recovery was \$29 million. Revenue from the Highway Distribution Account exceeded projections for the year by 2.4% or \$4.4 million while miscellaneous revenue exceeded the forecast by 6% or \$1.4 million. Expenditures for personnel and operating were less than budgeted. Capital equipment was on budget with some of the funds encumbered from the issuance of purchase orders for replacement of highway equipment. Capital facilities budget, including the encumbrance, was fully utilized with a majority of the total budget allocated for the District 4 office complex. In contract construction, the federal program was less than projections by 9% and the state program was 48% behind spending projections.

Aviation fuel tax revenue for FY07 was 3.6%, or \$58,000, more than projections. Miscellaneous revenue was 2% less than forecast. Minimal federal funds were received. Overall expenditures were less than budgeted.

In the GARVEE Capital Projects Fund, ITD requested \$28.4 million from bond proceeds. Expenditures were made on authorized projects. Utilization of bond proceeds was \$10.2 million less than the cash flow projected through the end of June. The balance of bond proceeds held in trust by Wells Fargo of \$187.6 million must be paid out by May 2009. The monthly payments for state match in the GARVEE Debt Service Fund for the months of February through June 2007 are \$524,780. The cash transferred into this Fund was \$27.2 million to match federal funds, the federal transfer for the debt service payment due in January, and the federal portion received for the July debt service payment. The disbursement out of the Fund through the end of June was \$9.2 million, which meets the bonding requirements.

Board Items. Chairman Manning reported on various meetings he attended recently, including the Motor Carrier Advisory Committee. He also met with some legislators.

Member Combo requested a future discussion on Board tours.

Member Blick said he has had inquiries into how passing zones are established. He would like a briefing at a future meeting on how passing zones are determined.

Director's Report. Based on a recent newspaper article indicating the Governor would like state agencies to consider allowing employees to work from home to reduce congestion, Director Lowe said staff is researching options.

Director Lowe reported that the Johnson Creek Airport has been evacuated due to forest fires.

Director Lowe was pleased to announce that ITD won the American Association of State Highway and Transportation Officials' President's Award for the SH-87, Henrys Lake Fish Passage project. The award will be presented at the annual conference later this year. She commended District 6 Engineer Tom Cole and staff for their efforts on that successful project, particularly the partnership that was established to address the fish passage concerns.

Chairman Manning welcomed Senators Shawn Keough and John Goedde, and Representatives Frank Henderson, George Eskridge, and Jim Clark to the meeting. He expressed appreciation for their interest in transportation and attendance at the meeting.

Delegation – Senator Goedde. Senator Goedde elaborated on the Inland Pacific Hub concept. The mission is to expand and integrate the regional transportation system to maximize efficiency, affordability, and safety. Canada is a partner on the collaborative regional vision for this multi-modal system. Although his efforts have focused on working with the Department of Commerce, he realizes the Transportation Department is also a major player. Senator Goedde wanted the Board to be aware of this effort. He will continue working with Idaho's Congressional Delegation on funding and with the ITD staff for technical assistance.

Chairman Manning thanked Senator Goedde for the overview on the Inland Pacific Hub. He also welcomed Representatives Bob Nonini, Marge Chadderdon, and Dick Harwood to the meeting.

Delegation – Representative Henderson. Representative Henderson thanked the Board members for their time. He conducted an informal survey and research on the Department's revenue proposals. In summary, there appears to be support to increase registration fees, increase fees for ITD services, and impose a rental car tax. Due to the lack of understanding on the ethanol exemption proposal, there was not as much support for that concept. Also, impact fees were not widely supported, however, there was general consensus that growth should pay for the transportation infrastructure such as through a highway improvement district or the Sales Tax Anticipation Revenue (STAR) legislation that was passed in 2007. Representative Henderson said increasing the fuel tax does not appear viable in an election year. Additionally, there appears to be support for ITD to do more work in-house. He emphasized that a lot of the comments he

was making were his own thoughts. He was not speaking on behalf of other legislators. In conclusion, he complimented ITD staff for its assistance during the 2007 legislative session.

Chairman Manning thanked Representative Henderson for his comments and for the extensive efforts he has dedicated to the transportation revenue issue.

Delegation – City of Post Falls. Post Falls Mayor Larkin thanked ADE Storjohann for her assistance and service as acting District Engineer for the past several months. He also welcomed Member Coleman and DE Allen to the Board and District, respectively.

Mayor Larkin thanked the Board for supporting the STAR legislation. Progress is being made on the I-90, Beck Road Interchange, which is being funded through this mechanism. The City is continuing efforts to construct the I-90, Greensferry Interchange. It provided funding for the Environmental Impact Statement, which should be completed by the end of this year. Mayor Larkin is hopeful that money will be secured by next spring for the design work. The City is positioning itself to have the project ready for construction soon, so if funding becomes available, this project will be considered to advance. He is concerned with the number of vehicle crashes on SH-41 and believes the Greensferry Interchange would alleviate some of the safety concerns on that state highway. Also, this project would help address the transportation demands caused by the continued residential and commercial growth in the area. Mayor Larkin challenged the legislators to utilize general fund surplus money for transportation projects. In conclusion, he expressed appreciation to the Board for the good relationship it has established with Post Falls.

Chairman Manning thanked Mayor Larkin for his comments.

Delegation – Representative Eskridge. Representative Eskridge also welcomed Member Coleman and DE Allen to the northern Idaho transportation team and Director Lowe as head of the Department. He acknowledged Idaho's transportation funding crisis. He realizes revenue needs to be increased, but does not anticipate a fuel tax increase during the 2008 legislative session. Other proposals, such as increasing the registration fee and implementing a rental car tax, have more support. He also believes design-build is a viable option and has the potential to save time and money. He commended the Department for the efficiency measures it is reviewing and implementing.

Representative Eskridge expressed support for the US-95, Sand Creek Byway project. He is concerned with the delays that have been caused by regulatory agencies on the permitting process. The area's second priority is the US-2, Dover Bridge. Because the project is not in the STIP, he asked the Board for its commitment on that project. Other priorities include improvements to the SH-57 and US-2 intersection and the US-95, Garwood to Sagle project. In conclusion, Representative Eskridge thanked the Board for its efforts and service to the State.

Member Coleman expressed support for the various projects Representative Eskridge mentioned. He also stated that the Board is concerned with the environmental delays on the Sand Creek Byway project. Chairman Manning thanked Representative Eskridge for his remarks.

Delegation – Bonner Area Transportation Team (BATT). Although BATT Chair Joe Young understands the Department's funding constraints, he said there are a lot of transportation needs in the area. He expressed appreciation for the Board's efforts on the Sand Creek Byway project and said the community continues to support that project. BATT was disappointed that the US-2/SH-57 intersection project was removed from the STIP. BATT Chair Young said the turning radius for trucks is insufficient and requested the Board program that project. The other priorities are the US-2, Dover Bridge and US-95, Garwood to Sagle projects. Additionally, BATT supports turn lanes at the Spirit Lake cut-off. BATT Chair Young concluded by thanking the Board for the various projects it has funded in northern Idaho.

Chairman Manning thanked BATT Chair Young for his comments.

Delegation – City of Sandpoint. Sandpoint Mayor Ray Miller thanked the Board for its support and perseverance on the US-95, Sand Creek Byway project. He thanked the District staff for its assistance, particularly with addressing pedestrian crossings. He also said that US-2 needs improving. Due to the limited funding, he suggested improving that east-west corridor in phases. He emphasized that the City of Sandpoint is a partner in transportation.

Chairman Manning expressed appreciation to Mayor Miller for his comments.

Delegation – City of Dover. Dover City Councilman Jim Janish stressed the importance of the US-2, Dover Bridge to the community. He relayed concerns with the condition of the bridge and encouraged the Board to fund a project to replace the structure, as US-2 is a key commercial corridor. Because he understands the Department's revenue concerns, he asked the Board to consider innovative funding options, such as GARVEE bonds.

Director Lowe acknowledged the need to fund the replacement project, but stressed that the structure is safe. The bridge is inspected regularly and if need be, it will be posted for weight restrictions. She added that ITD has tried to secure federal earmarks and will continue seeking federal assistance for the Dover Bridge. Chairman Manning also acknowledged the need to replace the structure and relayed the Board's support to fund the project when funding becomes available. He thanked Councilman Janish for his remarks.

Recognition of Joe Haynes, Local Highway Technical Assistance Council (LHTAC) Administrator. The Board members thanked Administrator Haynes for his service in the

transportation field and particularly the excellent partnership he established between LHTAC and ITD. They wished him well in his upcoming retirement.

Administrator Haynes thanked the Board for the comments. He added that he has been successful because of the excellent people that have worked with and for him, including ITD personnel. He also thanked the Board for its partnership with the STP Urban and Rural Programs, which the local public agencies truly appreciate.

Delegation – Gem County. Gem County Commissioner Lan Smith summarized the Dewey Road Corridor Study. The purpose of the project was to identify a new alignment from SH-52 west of Emmett to connect with I-84 at the Black Canyon Interchange. The route, about 7 miles in length, is approximately half in Gem County and half in Payette County. He relayed Payette County commissioners' regrets that they were not able to attend the meeting.

Erv Olen, consultant, Parametrix, Inc. elaborated on the study. Ten criteria were analyzed to determine the final alternative. The recommended alignment with an access plan will be taken to the appropriate local agencies for adoption and incorporation in their comprehensive plans. Then a schedule and budget will be developed, followed by pursuing addition of the route to the state highway system.

Chairman Manning thanked the gentlemen for the overview on the proposed corridor.

Presentation: Access Management. Phil Demosthenes, Parametrix, Inc., said access management is managing each point of access with goals of limiting conflicts and providing a smooth traffic flow. Access management improves the roadway's performance, reduces right-of-way costs, and reduces crashes. He emphasized the need to partner with land use authorities to address access and also the need for an efficient secondary system. Mr. Demosthenes said traffic signal plans are also important, as signals reduce capacity and mobility while creating the potential for crashes.

The Board expressed appreciation for the informative presentation. It encouraged staff to develop an outreach plan to educate land-use planning authorities on the importance of access management.

Executive Session on Legal and Personnel Issues, Section 67-2345(1)(a), (b), and (f), Idaho Code. Member McClure made a motion to meet in executive session at 12:10 PM to discuss legal and personnel issues. Member Coleman seconded the motion and it passed 5-0 by individual roll call vote.

A general discussion was held on pending or probable litigation related to the US-95, Sand Creek Byway project; the operation of the state highway system; and the Tribal fuel tax negotiations.

A general discussion was held on personnel issues related to public officers.

The Board came out of executive session at 1:15 PM. No decisions were made.

Adopt-A-Highway. Member Coleman recognized Jerry and Sherry Mundt for their service to the Adopt-A-Highway Program. The group has been picking up litter along US-95, from mile post 425 to 426, since 1994. He thanked the volunteers for their valuable service.

Delegation – Steve Potter, Citizens for the Sandpoint Tunnel. Mr. Potter acknowledged the communities' desire to alleviate traffic in downtown Sandpoint. However, he is concerned with the proposed Sand Creek Byway project. He does not believe the project is safe, as it does not have a median separation. Also, he does not believe the Department has been following the environmental regulations. He believes ITD is responsible for the permitting delays due to its non-compliance with the environmental regulations. Mr. Potter suggested the Board consider other options to remove traffic in Sandpoint to ensure safety of the traveling public and to be in compliance with the environmental regulations. He thanked the Board for its service to the State.

Chairman Manning thanked Mr. Potter for his comments.

Commercial Vehicle Services Proposed Rule Changes. Regina Phipps, Vehicle Size and Weight Specialist requested revisions to several Commercial Vehicle Services rules. The first change would eliminate IDAPA 39.03.08 Prequalification of Variable Load Suspension Axle and Other Auxiliary Axles. Legislation approved in 2007 removed the reference in code to prequalification requirements for variable load suspension axles.

Member McClure made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board has the authority to approve requested changes to
ITB07-38 administrative rules; and

WHEREAS, the Board finds the requested changes to the administrative rules provide clarification to the industry on operational requirements and provides protection against the potential overstressing of our infrastructure.

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommended changes to Administrative Rule 39.03.08 Prequalification of Variable Load Suspension (VLS) Axle and Other Auxiliary Axles, which will eliminate this rule and be in compliance with Idaho Code. Senate Bill 1049, 2007 removed the reference in

code to prequalification requirements for VLS axles; and

BE IT FURTHER RESOLVED, that the Board directs staff to remove Rule 39.03.08.

The revisions to IDAPA 39.03.10 Rules Governing When an Overlegal Permit is Required would combine emergency moves and secondary moves for wreckers removing disabled vehicles and the allowable weight would be determined by the overweight/oversize route capacity map. This would ensure safety for the traveling public and ensure appropriate weight limits on bridges.

Member Coleman made a motion, seconded by Member Blick, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board has the authority to approve requested changes to
ITB07-39 administrative rules; and

WHEREAS, the Board finds the requested changes to the administrative rules provide clarification to the industry on operational requirements and provides protection against the potential overstressing of our infrastructure.

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommended changes to Administrative Rule 39.03.10 Governing when an Overlegal Permit is Required, which will combine emergency moves and secondary moves for wreckers removing disabled vehicles and the allowable weight would be determined by the overweight/oversize route capacity map. This would ensure safety for the traveling public and ensure appropriate weight limits on bridges; and

BE IT FURTHER RESOLVED, that the Board directs staff to promulgate regular rule making to the changes as listed above for administrative rules.

Revisions to Rule 39.03.12 Governing Safety Requirements of Overlegal Permits clarify where the oversize load signs should be placed for towing vehicles and pilot escort vehicles to provide for better viewing by the traveling public.

Member McClure made a motion, seconded by Member Coleman, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board has the authority to approve requested changes to
ITB07-40 administrative rules; and

WHEREAS, the Board finds the requested changes to the administrative rules

provide clarification to the industry on operational requirements and provides protection against the potential overstressing of our infrastructure.

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommended changes to Administrative Rule 39.03.12 Governing Safety Requirements of Overlegal Permits, which will clarify where the oversize load signs should be placed for towing vehicles and pilot escort vehicles to provide for better viewing by the traveling public; and

BE IT FURTHER RESOLVED, that the Board directs staff to promulgate regular rule making to the changes as listed above for administrative rules.

Rule 39.03.16 Governing Oversize Permits for Non-reducible Vehicles and/or Loads is being changed to clarify that combinations hauling overwidth loads may be hauled on a double trailer combination as long as they do not exceed 75 feet overall length.

Member Blick made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board has the authority to approve requested changes to
ITB07-41 administrative rules; and

WHEREAS, the Board finds the requested changes to the administrative rules provide clarification to the industry on operational requirements and provides protection against the potential overstressing of our infrastructure.

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommended changes to Administrative Rule 39.03.16 Governing Oversize Permits for Non-Reducible Vehicles and/or Loads, which will clarify that combinations hauling overwidth loads may be hauled on a double trailer combination as long as they do not exceed 75 feet overall length; and

BE IT FURTHER RESOLVED, that the Board directs staff to promulgate regular rule making to the changes as listed above for administrative rules.

The change to Rule 39.03.17, Governing Permits for Manufactured Homes, Modular Buildings, and Office Trailers, provides for another option for connection devices between the manufactured home and the towing vehicle. This will provide for reference to allowable connection devices as determined by the Code of Federal Regulations.

Member Miller made a motion, seconded by Member Combo, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board has the authority to approve requested changes to
ITB07-42 administrative rules; and

WHEREAS, the Board finds the requested changes to the administrative rules provide clarification to the industry on operational requirements and provides protection against the potential overstressing of our infrastructure.

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommended changes to Administrative Rule 39.03.17 Manufactured Housing, which provides for another option for connection devices between the manufactured home and the towing vehicle. This will provide reference to allowable connection devices as determined by the Code of Federal Regulations; and

BE IT FURTHER RESOLVED, that the Board directs staff to promulgate regular rule making to the changes as listed above for administrative rules.

Amendments to Administrative Rule 39.02.60 Governing License Plate Provisions. Vehicle Services Manager Amy Smith said the change from the embossed license plate to the digital license plate is an opportune time to re-format the numbering on license plates. Six characters will be allowed on specialty plates. She summarized other amendments being proposed to Rule 39.02.60. Revisions are being incorporated to accommodate dealers who want to donate the use of their vehicles for charitable events. A mechanism to register vehicles and provide valid documentation to customers while their plates are being manufactured is needed, as the specialty plates will no longer be stocked at the county offices. Additionally, the length of time that temporary registration would be valid is 45 days to ensure motorists have adequate registration time prior to receiving new physical license plates. General clean up of language is also being proposed.

Member Coleman made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board has the authority to approve requested changes to
ITB07-43 administrative rules; and

WHEREAS, the Board finds the requested changes to the administrative rules provide clarification and updated procedures to the Rules Governing License Plate Provisions.

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommended changes to Administrative Rule 39.02.60 Governing License Plate Provisions, which defines requirements for the issuance of license plates, use of dealer and loaner plates, temporary registration documents, and personalized plate messages, and provides for a process to approve personalized plates; and

BE IT FURTHER RESOLVED, that the Board directs staff to promulgate temporary rule making effective September 1, 2007 and proceed with regular rule making at the same time for the changes as listed above for administrative rule.

Idaho Traffic Collisions 2006 Report. Highway Operations and Safety Engineer (HOSE) Brent Jennings summarized the 2006 Idaho Traffic Collisions Report. Idaho's fatality rate per 100 million vehicle miles traveled was 1.75 in 2006. Although the rate was lower than last year's 1.84, it remains significantly higher than the national fatality rate of 1.44. Other notable statistics include just over 41% of the motor vehicle fatalities were the result of impaired driving; Idaho's observed seat belt use reached an all-time high of 80%; aggressive driving was a contributing factor in 54% of motor vehicle collisions and a factor in 43% of the fatalities; and youthful drivers, ages 15 to 19, continue to be over-involved in motor vehicle crashes.

Highway Safety Performance Plan for FY08. HOSE Jennings presented the FY08 Highway Safety Performance Plan, as recommended by the Traffic Safety Commission. The National Highway Traffic Safety Administration 402 grants total \$1,916,671. Based on Idaho's highway safety needs, funding will be provided for planning and administration, impaired driving, emergency medical services, motorcycle safety, occupant protection, child restraint, bicycle and pedestrian safety, aggressive driving, roadway safety, traffic records, community traffic safety, and paid advertising. The other grants included in the Plan, totaling almost \$1.8 million, are for data records, alcohol-impaired, safety restraint incentive, racial profiling, and motorcycle safety.

Member McClure made a motion, seconded by Member Coleman, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, Idaho experienced 24,225 reportable traffic crashes and 267 fatalities in 2006; and

ITB07-44

WHEREAS, the economic cost of traffic crashes in Idaho for 2006 was nearly \$1.8 billion; and

WHEREAS, Idaho's fatality rate for 2006 was 1.75 fatalities per 100 million annual vehicle miles traveled, which is higher than the estimated national rate of 1.44 fatalities per 100 million annual vehicle miles traveled; and

WHEREAS, the Idaho Transportation Department's goal is to have zero traffic fatalities; and

WHEREAS, the National Highway Traffic Safety Administration (NHTSA) has allocated almost \$3.7 million in funding for Idaho to reduce traffic crashes; and

WHEREAS, the Idaho Traffic Safety Commission and the Office of Highway Operations and Safety have developed the Highway Safety Performance Plan for federal fiscal year 2008 to reduce Idaho traffic fatalities; and

WHEREAS, the Highway Safety Performance Plan is required by NHTSA in order to receive funding.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board adopts the Highway Safety Performance Plan, which is on file in the Office of Highway Safety and Operations, for federal fiscal year 2008.

Strategic Highway Safety Plan. HOSE Jennings summarized the efforts of the 2004 Governor's highway safety summit, which was held to identify how deaths and serious injuries on Idaho's highways can be eliminated. Ten focus areas were identified: aggressive driving, commercial vehicles, emergency medical services, impaired drivers, mature drivers, occupant protection, railroad crossings, road related crashes, vulnerable users, and youthful drivers. A Strategic Highway Safety Plan has been developed and reviewed by ITD's partners. Upon Board approval, it will be submitted to the Federal Highway Administration and then implemented.

Member Combo made a motion, seconded by Member Miller and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, Idaho experienced over 24,000 reportable traffic crashes in 2006; and
ITB07-45

WHEREAS, the number of fatalities on all of Idaho's highways was 267 in 2006; and

WHEREAS, Idaho's Governor held a highway safety summit to identify how deaths and serious injuries can be reduced on Idaho's highways; and

WHEREAS, a Strategic Highway Safety Plan (SHSP) has been developed to reduce the number of fatalities and serious injuries on all of Idaho's highways; and

WHEREAS, the SHSP shall be submitted to the Federal Highway Administration.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board adopts the Strategic Highway Safety Plan for implementation with the goal to reduce death and serious injuries upon Idaho's highways.

Median Crossovers on Interstates and Divided Highways. Median crossovers on interstates and divided highways are signed for use by emergency and authorized vehicles as prescribed in the Department's Traffic Manual, according to HOSE Jennings. Additionally, an administrative policy specifies vehicles that may use the crossovers without written authorization and states that special written authorization to use crossovers may be extended to ITD contractors and others who provide a service to ITD. In 1986, the Board authorized port-of-entry (POE) personnel to use selected crossovers.

Upon review of the use of crossovers, HOSE Jennings recommended rescinding the 1986 Board decision because of safety concerns related to higher speeds and greater traffic volumes than at the time the original decision was made. Additionally, the administrative policy will be revised to allow for the HOSE, in consultation with the appropriate District Engineer, to provide written authorization for other uses of the median crossovers, including by POE personnel.

Member Combo made a motion, seconded by Member Coleman, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board previously took action and decided at its meeting of

ITB07-46 November 7, 1986 that authorized Port of Entry (POE) personnel to use crossovers near named POE facilities, including the Cotterel POE facility, so long as the safety of the traveling public is not jeopardized; and

WHEREAS, on November 22, 2006, employees from the Cotterel POE wrote a letter to the Board stating use of the crossover at the POE Cotterel facility had been rescinded by Idaho Transportation Department management; and

WHEREAS, these concerned employees asked the Board to retain its decision of November 7, 1986 or "...create one similar that would somehow ease the current unfair burden on the employees..."; and

WHEREAS, in a letter dated December 6, 2006, Board Chairman Frank Bruneel stated current Administrative Policy B-12-19 would be reviewed and updated by ITD staff.

NOW THEREFORE BE IT RESOLVED, that the Board orders the decision reflected in the Board minutes of November 7, 1986 be rescinded; and

BE IT FURTHER RESOLVED, that the Board directs staff to address the question of ITD employee use of median crossovers through clear processes outlined in appropriate Department policies.

Professional Service Agreements and Term Agreement Work Task Report. The Consultant Administration Unit processed \$2,386,900 in new professional service agreements and work tasks from July 1 through July 31, according to Chief Engineer Steve Hutchinson. The agreements were issued for various reasons, such as the need for special expertise and resources not available in-house. A number of agreements were also processed for local entities.

FY07 Adjustments to the Formula Federal-aid Highway Program Based on Readiness and Available Funding. Senior Financial Specialist Steve Martin summarized the FY07 formula federal highway program balances as of July 30, 2007, the anticipated project removals and delays, anticipated cost increases and decreases, and the list of prioritized projects to advance based on available funding. Staff will request \$16.7 million in redistribution of obligation authority later this month. He emphasized that the list of projects to advance and delay is staff's strategy to utilize all available federal funds. There is no guarantee that any of the projects will be advanced or delayed, and although the list is prioritized, the projects would be advanced on a first-come first-served basis. He also noted that the Safe Routes to School projects anticipated to delay will be accommodated in the FY08 STIP per Board direction in May 2007. The STIP that will be presented to the Board for approval next month will reflect the final project adjustments.

Member Combo made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, it is in the public interest for the Idaho Transportation Department to accomplish a current,

ITB07-47 realistic, and fiscally constrained Highway Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal-aid highway funding; and

WHEREAS, the Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU) requires that a priority list of projects covering a four-year period be provided in a Statewide Transportation Improvement Program (STIP); and

WHEREAS, as of July 30, 2007, the funding balance in the FY07 Highway Capital Investment Program is \$1 million; and

WHEREAS, projects have been identified that will delay or be removed from FY07 totaling \$13.9 million; and

WHEREAS, projects have been identified that will require cost increases or provide cost decreases for a net total of \$19.8 million; and

WHEREAS, a prioritized list has been identified of projects that are ready should additional funding become available; and

WHEREAS, the result of these proposed delays, cost increases and decreases, and advances will fully utilize the estimated FY07 federal-aid highway formula obligation authority of \$208.2 million and Equity Bonus funding of \$26.8 million; and

WHEREAS, the Department will request \$16.7 million in redistributed FY07 formula obligation authority from other states.

NOW THEREFORE BE IT RESOLVED, that the Board authorizes staff to advance projects from the list entitled “FY07 Federal Highway Program Request for August 2007 Redistribution of Federal Formula Obligation Authority”, as shown as Exhibit 243, which is made a part hereof with like effect, in priority order as funding becomes available and projects are made ready for obligation; and

BE IT FURTHER RESOLVED, that staff is authorized to make the appropriate changes to the FY07-11 STIP in accordance with the provisions of SAFETEA-LU.

2008 Performance Measurement Report due to Division of Financial Management September, 2007. Intermodal Planning Manager Patricia Raino presented the Department’s draft 2008 Performance Measurement Report, per Idaho Code. The report contains some of the information submitted in the FY08 Strategic Plan. The main components of the report are an agency overview, including a financial summary, key services provided, and performance highlights, and performance measures.

Annual Report on Performance Measures on Contracts and Procurements. Business and Support Manager (BSM) Kathyren Chase provided statistics on the procurement and contract services for FY07. There were 1,698 purchase requisitions and 3,752 inventory requisitions. A total of 23,609 purchase orders in the amount of \$50 million were issued. Professional service agreements in the amount of \$1.5 million for 68 agreements and 122 contracts totaling \$16 million were issued.

Capital Facilities Program Overview. BSM Chase presented the proposed Six Year Capital

Facility Program. She noted that the FY09 list of projects is included in the proposed budget request. The FY09 Program has been reduced to the base \$2.85 million funding level. The Idaho State Police will be evacuating a portion of the District 1 administrative building. Over \$1 million will be directed toward renovating the vacated space for ITD use in FY09. Staff will review projects in the later years to ensure the priorities are consistent with practical design philosophies and Board priorities.

Chairman Manning thanked BSM Chase for the reports.

FY09 Proposed Budget Request. Budget, Policy, and Intergovernmental Relations Manager (BPIRM) Julie Pipal said an FY08 supplemental request will be submitted for spending authority of \$4.4 million due to 2007 legislation related to the Petroleum Clean Water Trust Fund and an Overlegal Permit Fee increase. The funds will be directed to the highway maintenance program, operations inflation, POE operations, and road condition reporting.

Highlights of the FY09 budget request in the amount of \$492 million include a 1% change in employee compensation with 4% held in reserve, a \$4.2 million increase for employer costs for health insurance, \$22.4 million for replacement equipment, \$234.1 million for contract construction, \$44.4 million for GARVEE debt service, and \$36,400 for line items. BPIRM Pipal said the FY09 revenue forecast is \$231.8 million from state sources and \$305 million in federal revenue. She added that no GARVEE bonding authority is included at this time; however, staff will seek Board direction next month on the GARVEE Program.

Member Miller requested a future overview on the Department's cash flow, particularly trends. Member McClure asked staff to determine if general fund surplus money could be used for the GARVEE debt service.

Member Combo made a motion, seconded by Member Miller, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, the FY09 Idaho Transportation Department budget request will be prepared in accordance

ITB07-48 with instructions in the Division of Financial Management's Budget Development Manual; and

WHEREAS, the Idaho Transportation Board has reviewed the FY09 budget request summary.

NOW THEREFORE BE IT RESOLVED, that the Board agrees with the budget request estimates and guidance provided as presented in the Department Summary and Certification, submitted for approval August 16, 2007, as shown in Exhibit 244,

which is made a part hereof with like effect, and authorizes the estimates and guidance provided to serve as the basis for the budget request to be submitted to the Division of Financial Management and Legislative Services Office on or before September 1, 2007.

State Legislation Development, Board Policy B-01-07. BPIRM Pipal said the Board policy on state legislation development was last updated in 1994. In 2005, the Board approved a resolution adopting a comprehensive approach to legislation, which has resulted in a successful process for the Department's legislative ideas and enhanced the lines of communication with ITD's partners in industry and advisory capacities.

Member McClure made a motion, seconded by Member Miller, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board approves the Idaho Transportation Department's legislative agenda
ITB07-49 annually; and

WHEREAS, the Board has previously approved, by resolution, the process by which 1) it will solicit input from outside entities on legislative issues, 2) it will take a position on the legislative issues of outside entities, and 3) staff will provide expertise to outside entities for the development of their legislative issues.

NOW THEREFORE BE IT RESOLVED, that the Board approves the repeal of Board Policy B-01-07, State Legislation Development.

Old/New Business. Member McClure expressed appreciation to the area legislators for attending the meeting. Although the legislators had left the meeting by noon, their attendance at the morning session was appreciated. Member McClure also expressed appreciation for the informative access management presentation.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 3:30 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved

September 20, 2007

Pocatello, Idaho

REGULAR MEETING AND DISTRICT FIVE TOUR OF THE IDAHO TRANSPORTATION BOARD

September 19-20, 2007

The Idaho Transportation Board met at 10:00 AM, on Wednesday, September 19, 2007, in Pocatello, Idaho. The following principals were present:

Darrell V Manning, Chairman
Bruce Sweeney, Vice Chairman – District 2
Jim Coleman, Member – District 1
Monte C. McClure, Member – District 3
Gary Blick, Member – District 4
Neil Miller, Member – District 5
John X. Combo, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Sue S. Higgins, Board Secretary

Pocatello Regional Airport. Pocatello Regional Airport Manager David Allen provided an overview on the regional airport's services and planned enhancements, while the Board toured the airport facilities. Mr. Allen said his goals are public education and outreach, air service, and land development. The parking lot is currently under construction and plans are to renovate the terminal next year. The group stopped briefly at the Idaho State University Applied Technology Aircraft Maintenance facility for an overview on the two-year aircraft mechanic program.

Pocatello Regional Transit (PRT). The Board traveled to the PRT facilities in Pocatello and met with Executive Director Ron Bingelli and Chubbuck Mayor Steve England. Mr. Bingelli expressed concerns with PRT's aging facility and reported on efforts underway to secure funding for a new building. He summarized the transit services provided, noting that every county in District 5 now has service. He also elaborated on the seamless service being provided to all rural areas as long as it is safe to do so and there is adequate access. Safety is a high priority for PRT. Mayor England added that education on the public transit services provided is very important.

The Board had an informal luncheon at the Pocatello Maintenance Shed with ITD employees and Idaho State Police personnel, who also provided an overview on some of their operations. The Board also received an update on the Yellowstone Business Partnership. Executive Director Jan Brown reported that the Partnership recently received a federal grant in the amount of \$150,000 to continue efforts to address various issues, including socioeconomic, natural resources, and transportation, in the greater Yellowstone National Park and Teton National Park area.

The Board traveled south on I-15. In McCammon, the group visited the Flying J facility. The business partnered with ITD to make the truck stop a safety rest area. Although the truck stop/rest area has only been operational for a few months, it appears to be a successful venture. The partnership will be reviewed and reevaluated in a year.

The Board traveled east on US-30 to Lave Hot Springs. Staff provided an update on various GARVEE projects, both under construction and planned, before the group returned to Pocatello via US-30 west and I-15 north.

WHEREUPON the tour recessed at 3:45 PM.

September 20, 2007

The Board reconvened at 8:00 AM on Thursday, September 20, 2007, at the District 5 Office in Pocatello. All members were present except Members Combo and Miller.

August 15-16, 2007 Board Minutes. Member Blick made a motion to approve the minutes of the regular Board meeting held on August 15-16, 2007 as submitted. Member McClure seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:

October 24-25, 2007 – Boise

November 14-15, 2007 – Boise

December 12-13, 2007 – Boise

Consent Calendar. Member McClure made a motion, seconded by Member Coleman, and passed unopposed, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the revisions

ITB07-50 to Board Policy B-06-02, Department Correspondence; revisions to Board Policy B-19-02, Sales to Other Jurisdictions; speed minute entry changes, I-15B, Pocatello, District 5; and speed minute entry changes, SH-33, District 6; and has received and reviewed the contract award information; the program and district obligation graphs and tables, monthly status reports; the quarterly report on legal actions and contract claims; and the July 2007 financial statement analysis.

1) Revisions to Board Policy B-06-02, Department Correspondence. This policy outlines the requirements for internal and external correspondence and signing authority. It was last updated

in 1994 and has been revised to comply with current procedures.

2) Revisions to Board Policy B-19-02, Sales to Other Jurisdictions. Minor revisions were made to B-19-02, including deleting the reference to the Recycling policy that has been rescinded and updating the signature name and date.

3) Speed Limit Changes, I-15B, Pocatello, District 5. The City of Pocatello requested an extension of the 35 mile per hour (mph) speed zone from the existing 35 mph zone to the south edge of Pocatello on I-15B. The route is a multi-lane, Type IV access controlled facility. Safety is a concern as the area is becoming urbanized and the crash rate is higher than expected. Growth in pedestrian and bicycle traffic is also a concern because crossings at two intersections along the route are part of the official Portneuf Greenway system. District 5 is installing pedestrian warning flashers at these intersections, but lowering the speed limit will reduce the severity of crashes that might occur. Speed studies conducted in 2007 indicate that the 85th percentile speed is slightly above the posted 45 mph limit, however, the City of Pocatello has committed to help educate the public regarding the need for a speed limit reduction and to enforce the reduction if it is implemented. Staff requested approval to reduce the speed limit to 35 mph on segments 1360 and 1361 of I-15B for .788 miles from the existing 35 mph speed zone to the Pocatello Visitor Center .12 miles north of Swisher Road.

4) Speed Minute Entry Changes for SH-33, District 6. Earlier, ITD implemented an emergency action to lower the posted speed limit of 65 mph on SH-33 from milepost 0 to milepost 24. The pavement surface was smooth, rutted, and slippery when wet, creating safety concerns. The reduction was intended to remain until the completion of a seal coat project. Because the project has been successfully completed and the emergency action is no longer needed, staff recommended increasing the speed limit to 65 mph on SH-33, segment 2460, milepost 0 to 15.3 and milepost 16.39 to 24.

5) Contract Award Information. Key #10554, SH-44, Glenwood Bridge to Riverside Drive, District 3. Low bidder: McAlvain Excavation, Inc. - \$99,739.

Key #9232 – I-15, Virginia Interchange Bridge, Bannock County, District 5. Low bidder: Idaho Construction Company – \$933,493.

Key #9250 – US-20B, Intersection Holmes Avenue and Anderson Street, Idaho Falls, District 6. Low bidder: H-K Contractors Inc. - \$573,634.

Key #9109 – US-26, Junction Avonmore Road, Gooding County, District 4. Low bidder: Idaho Sand & Gravel Company, Inc. – \$1,257,952.

Keys #9814 and #10557 – I-84, Gowen Interchange to Eisenman Interchange, and Broadway Interchange to Gowen Interchange, District 3. Low bidder: Western Construction, Inc. – \$11,959,347.

Key #9902 – US-30, Pavement Maintenance, District 5. Low bidder: Intermountain Slurry Seal, Inc. - \$532,500.

Key #6022 – Thompson Park Bridge, East of East Hope, District 1. Low bidder: Sletten Construction Company – \$1,210,073.

Key #7837 – Bannock Creek Bridge, Power County, District 5. Low bidder: Cannon Builders Inc. - \$363,335.

Key #10968 – US-2, Dover Bridge Deck Replacement, District 1. Low bidder: Harcon Inc. - \$525,428.

Key #10933 – I-90, 9th Street Underpass Repair, District 1. Low bidder: Harcon Inc. - \$1,060,772.

Key #9858 – US-93, Pagari to Old US-93, Lincoln County, District 4. Low bidder: Debco - \$904,905.

Key #9865 - SH-75, Bellevue to Hailey, Blaine County, District 4. Low bidder: Lakeside Industries JV doing business as Valley Paving - \$747,730.

6) Program and Construction Obligation Graphs, Monthly Status Reports. As of August 31, \$304.4 million had been obligated, or 89% of the planned amount. The total amount obligated for construction projects was \$169 million. It was noted that the August report erroneously reported that \$189 million had been obligated. The correct amount obligated as of July 31 should have been \$159 million. Obligation information by program and district and project status reports for all 2007 projects were also presented.

7) Quarterly Report on Legal Actions and Contract Claims. A summary of legal cases resolved by the Legal Section between June 2 and September 1, 2007, a status of current legal cases, and a report on contract claims was presented.

8) July Financial Statement Analysis. Total federal aid revenue for July was ahead of projections. Revenue from the Highway Distribution Account was below projections by 9.5%, however, it is early in the fiscal year and staff does not believe this is a concern at this time. Miscellaneous revenue exceeded the forecast by 2%. Expenditures for personnel and operating were less than budgeted. Capital equipment showed a -458% variance, which is due to a timing difference in

monthly allotments and when the funds were encumbered from the issuance of purchase orders for replacement of highway equipment. There was also a timing difference in the allotments in the capital facilities portion of the budget. In contract construction, the federal and state programs were ahead of projections by 65% and 43%, respectively.

Aviation fuel tax revenue for July was 7%, or \$10,000, less than projections. Miscellaneous revenue was 54% less than forecast. An adjustment in accounts receivable in federal funds in the month of July indicates negative revenue; however, this amount will change as the grants that have been awarded are processed through the system. Overall expenditures were less than budgeted.

In the GARVEE Capital Projects Fund, expenditures in the amount of \$3.4 million were made on authorized projects. Utilization of bond proceeds was \$15 million less than the cash flow projected through the end of July. This was the first month of the GARVEE debt service activity where a portion of the principal was repaid. The legal documents require ITD submit to the Bond Trustee on a monthly basis the state match portion to the interest debt service payment that is due in January 2008 and also the principal portion of the debt service payment due July 2008. The monthly payments for state match from August through January are \$588,450.

Members Combo and Miller joined the meeting at this time.

Board Items. Chairman Manning reported on various meetings he attended recently, including the Capital for a Day in Salmon, the Boise Chamber of Commerce, and the Idaho Association of Counties' annual conference.

Director's Report. Director Lowe reported that the I-84, Broadway Bridge Underpass in Boise was damaged in a fatal crash earlier this week. A semi truck struck an ITD maintenance vehicle, resulting in minor injuries to the ITD employee. The structure was damaged in the ensuing fire and needs to be repaired. She asked the Board to revisit this issue under New Business. (See later minute entry.)

Director Lowe provided an update on the Federal Highway Trust Fund. Consideration is being given to divert some general fund money to the Highway Trust Fund as a reimbursement for earlier appropriations that were made for expenses such as those incurred as part of natural disasters like hurricanes.

ITD has been notified that it will receive \$8.9 million in additional obligation authority, according to Director Lowe. Staff has identified four pavement projects in Districts 4 and 6 to advance with funding from this appropriation.

Director Lowe said the Department submitted comments on the draft REAL ID rules. The deadline for states to apply for grants to implement REAL ID is approaching. Director Lowe intends to apply for grants, but if, based on the final rules, Idaho does not convert to REAL ID, the grant money will be returned.

Director Lowe announced that Lance Holmstrom has been named the new Local Highway Technical Assistance Council (LHTAC) Administrator. Mr. Holmstrom, a former ITD employee, had been the Assistant Administrator for the past several years.

Member Sweeney mentioned that the City of Lewiston has been promoting the Historical Lewiston specialty plate; however, there has been concern that the county office did not have the license plate on hand. Budget, Policy, and Intergovernmental Relations Manager (BPIRM) Julie Pipal believes the lack of plates is due to the Department's conversion to digital license plates. Counties will no longer have an inventory of special license plates. The specialty plates will be issued from Boise as they are purchased.

Delegation – City of Meridian. Meridian Mayor Tammy de Weerd encouraged the Board to approve additional funding for the I-84, Ten Mile Interchange. She believes the project is crucial to the Treasure Valley, as it will relieve congestion and enhance economic activity. She does not believe there are enough accesses to the Interstate. Approximately \$28 million has been committed to the project to date and she asked the Board to fund the project through construction. She also emphasized that the City wants to continue its partnership with ITD and provide assistance.

Eagle Mayor Nancy Merrill also spoke in support of the Ten Mile Interchange project. She believes connecting SH-16 to I-84 and improvements to US-20/26 are also needed, as the population continues to increase in the Treasure Valley.

Vice Chairman Sweeney emphasized that the state needs additional revenue to address its transportation needs. He encouraged the delegation to support the Board's effort to increase revenue. Mayor de Weerd expressed her commitment to this effort and added that the City of Meridian has already submitted a letter of support for additional revenue. She added that the City has committed funding for other transportation projects, such as the I-84, Locust Grove Road overpass. Mayor Merrill also expressed support to increase transportation revenue.

Member Miller commented that the Board has been supportive of projects in the Treasure Valley; however, he also emphasized the need for additional revenue. Vice Chairman Sweeney added that GARVEE bonding is one tool, but it does not address the issue of insufficient funding. Without additional revenue, a number of Districts will not have any projects to fund. Member Blick added that a grass roots effort is needed. Citizens need to contact their legislators in support

of additional transportation revenue. Member McClure thanked the delegation for its support and believes more education and outreach is needed. The public needs to be aware of the state's financial concerns and options to address the transportation system.

Representative Marv Hagedorn asked the Board to provide funding options to the legislature. He believes creative solutions need to be explored, such as the Sales Tax Anticipation Revenue legislation that was approved last session.

Chairman Manning mentioned the Board's legislative proposals for the 2007 session and stated that revenue options will again be introduced during the next session. He thanked the delegation for its comments.

LHTAC Comments. Newly appointed LHTAC Administrator Holmstrom thanked the Board for its support to local public agencies. He is looking forward to continuing the partnership that his predecessor, Joe Haynes, established with the Board and Department.

FY08-12 STIP Comments. Intermodal Planning Manager (IPM) Pat Raino reported that the STIP was developed in compliance with the Code of Federal Regulations. The multi-year, multi-modal program shows planned highway, transit, aeronautics, and highway safety projects. She summarized the 224 public comments received as part of the public review and comment period between July 5 and August 3, 2007. IPM Raino also provided the Board with all of the comments submitted.

Member McClure commented on the low number of public comments received when compared to the total population of the state and the amount of time and money dedicated to this process. Several members noted that comments are received year-round, particularly from local transportation committees. It was also mentioned that the Department needs to comply with the federal requirements.

Because the STIP incorporates projects from the Capital Investment Program and the GARVEE Program, which were on the meeting agenda, the consensus of the Board was to revisit the STIP later. (See later minute entry.)

Adopt-A-Highway. Member Miller recognized the Beta Sigma Phi members for their participation in the Adopt-A-Highway Program. The group from Grace has been picking up litter along US-30, from milepost 409 to 411, since 1991. Although the volunteers could not be present, he thanked them for their valuable service.

GARVEE Transportation Program. Connecting Idaho Partners (CIP) consultant Dave Butzier reviewed the proposed schedule for the GARVEE corridors and identified the known risks and

concerns. The proposal for the 2008 legislative session is to request bonding authority in the amount of \$134 million. The funding would be for I-84, Caldwell to Meridian - \$61 million; I-84, Orchard to Isaac's Canyon - \$47 million; and US-30, McCammon to Lava Hot Springs - \$26 million.

Director Lowe said that she has been asked about additional funding for the SH-16 project. The Environmental Impact Statement (EIS) is expected to take approximately another year to complete and there is sufficient funding for this step. If this schedule changes and the EIS is completed earlier than anticipated, staff will revise the plan to incorporate right-of-way acquisition and request the Board's approval on the revised plan. She emphasized that this approach will be applied to all GARVEE projects. Staff will be flexible with schedules and will be prepared to revise the GARVEE Program to maximize the expenditure of funds.

Administrator, Division of Administration (ADA) Dave Tolman elaborated on the proposed FY09 bonding request. It is based on the ability to meet the 24-month spend-down requirement necessary to retain positive earnings on bond proceeds; funds would be secured in advance of construction contracts issued; and construction contracts would be awarded in advance of securing bonds with a risk factor of approximately \$25 million. In response to an earlier question, ADA Tolman said that general fund revenue could be used for debt service.

GARVEE Program Engineer Jason Brinkman provided a breakdown of GARVEE funds by category. Of the total \$998 million projected Program, \$766.4 million, or 77% would be used for construction; \$94.49 million, or 9%, for right-of-way; \$86.02 million, or 9%, for design and environmental work; and \$51.37 million, or 5%, for program management. He also mentioned that the consumer price index has increased 25.6% since 1997 while the national construction cost index increased 69.4%. High construction costs are projected to continue in the near future.

GARVEE Staff Engineer Amy Schroeder said a total of \$144.7 million has been committed to date, with actual expenditures in the amount of \$42.3 million. CIP is performing 37% of the development and construction engineering work, ITD is performing an estimated 19%, and 40 individual firms and subcontractors are providing the remaining services.

Member McClure commented on signs he has seen in other states informing the public of the source of funds for construction projects. He asked staff to consider erecting similar signs for the GARVEE projects. Member Coleman concurred and stressed that educating the public on the GARVEE Program and projects being constructed with that funding mechanism is important.

Because of the complexity of the requested \$134 million GARVEE Program, the consensus of the Board was to delay action on the Program. (See later minute entry.)

GARVEE Legislative Report. Per Idaho Code, an annual report on the status of the GARVEE Program is to be submitted to the legislature. The draft report was provided to the Board for review. Member Coleman and Chairman Manning requested inclusion of information on inflation and the global demand for construction materials, respectively.

Member Coleman made a motion to approve the draft GARVEE Legislative Report as amended. Member McClure seconded the motion and it passed unopposed.

Recommended FY08-12 Capital Investment Program. Dave Amick, Manager, Transportation Investments (MTI), presented the recommended FY08-12 Capital Investment Program, including the Federal and State Highway Development Program and the Public Transportation and Aeronautics Programs. He outlined changes to the Program since the June workshop, including a \$5 million reduction to the Rest Area Program, the addition of \$5 million annually for pavement preservation, the delay of Safe Routes to School projects, reprogramming of unutilized High Priority and Appropriation earmarks from FY07, and minor updates to FY08 GARVEE cost estimates. Additional changes will be made later in the month to accommodate the remaining FY07 actions necessary to close out the year including delays and advances depending on project readiness and final costs, offsetting of delays as required to provide a fiscally constrained STIP, and obligation of the redistribution of federal obligation authority. MTI Amick also reported that to date, no insurance money has been received to reimburse the Board Unallocated Account for repairs to structures hit by vehicles.

LHTAC Administrator Holmstrom requested the addition of the Adams Parkway project to the Local Bridge Program for \$600,000. He emphasized that this addition will have no financial impact in FY08. Without objection, the Board concurred to the project addition.

Community Planning Association of Southwest Idaho Executive Director Matt Stoll expressed appreciation to the partnership that ITD has established with local entities. He acknowledged the significant impact that rising construction costs is having on transportation in the state and that revenue is reaching a critical point. He supports tools to address the funding shortfall and is committed to working with ITD on funding proposals.

Chairman Manning thanked Messrs. Holmstrom and Stoll for their comments and efforts on behalf of local entities.

Vice Chairman Sweeney said he will not support the GARVEE Program until the legislature provides additional funding for transportation.

Member McClure made a motion, seconded by Member Coleman, to approve the following resolution:

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department to publish and accomplish

ITB07-51 a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal, state, local, and private capital investment funding; and

WHEREAS, the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) requires that a priority list of projects covering a four-year period be provided in a Statewide Transportation Improvement Program (STIP); and

WHEREAS, the Divisions of Highways, Public Transportation, and Aeronautics have recommended new projects and updated the costs and schedules for projects in the FY08-12 Capital Investment Program; and

WHEREAS, the recommended FY08-12 Capital Investment Program was developed in accordance with all applicable federal requirements including adequate opportunity for public involvement and comment; and

WHEREAS, the recommended FY08-12 Capital Investment Program incorporated public involvement and comment whenever possible while maintaining a fiscally constrained Program; and

WHEREAS, it is understood that continued development and construction of improvements are entirely dependent upon the availability of future federal and state capital investment funding in comparison to the scope and costs of needed improvements.

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommended FY08-12 Capital Investment Program, which is on file in the Office of Transportation Investments; and

BE IT FURTHER RESOLVED, that staff is authorized to include approved projects in the FY08-11 STIP in accordance with the provisions of SAFETEA-LU.

The motion passed 4-2 with Vice Chairman Sweeney and Member Combo dissenting.

FY08-12 STIP, Revisited. Member Blick made a motion, seconded by Member Miller, to

approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Department is required by 23 U.S.C. 134, 23 CFR, Part 450 and

ITB07-52 49 CFR, Part 613 and the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) to develop a Statewide Transportation Improvement Program (STIP); and

WHEREAS, the Program contains a list of priority transportation projects to be carried out for the first four years of the STIP and is in conformance with the first four years of each Metropolitan Planning Organization's Transportation Improvement Program; and

WHEREAS, the STIP is consistent with "*Idaho's Transportation Future: getting there together*," the Department's long-range vision/planning document adopted by the Idaho Transportation Board in July 2004; and

WHEREAS, the STIP, in nonattainment and maintenance areas, contains only transportation projects found to conform, or from programs that conform, to the requirements contained in 40 CFR Parts 51 and 93, and the Idaho Administrative Procedures Act, specifically the "Rules of the Department of Environmental Quality" found in Idaho Code 39-6701; and

WHEREAS, the STIP is financially constrained by year and includes sufficient financial information to demonstrate which projects are to be implemented using current revenues and which projects are to be implemented using proposed revenue sources while the transportation system as a whole is being adequately operated and maintained; and

WHEREAS, the STIP contains all capital and non-capital transportation projects proposed for funding under the Federal Transit Act (FTA); and

WHEREAS, the STIP contains all regionally significant projects requiring an action by the Federal Highway Administration (FHWA) or FTA; and

WHEREAS, the STIP, in the first year, includes only those projects that have been selected in accordance with federal project selection requirements for non-metropolitan areas; and

WHEREAS, the STIP contains modal projects in aeronautics, bicycle/pedestrian, highways, public transportation, and rail as well as highway safety; and

WHEREAS, the STIP was developed in accordance with all applicable federal requirements, including adequate opportunity for public involvement and comment.

NOW THEREFORE BE IT RESOLVED, that the Board approves the FY08-12 STIP with any changes approved at the September 19-20, 2007 Board meeting to be included in the recommended STIP, which is on file in the Intermodal Planning Office; and

BE IT FURTHER RESOLVED, that the Board approves the transmittal of the recommended FY08-12 STIP to FHWA and FTA for their review and approval.

The motion passed 5-1 with Vice Chairman Sweeney opposing.

Professional Service Agreements and Term Agreement Work Task Report. The Consultant Administration Unit processed \$2,710,000 in new professional service agreements and work tasks from August 1 through August 31, according to Chief Engineer Steve Hutchinson. The agreements were issued for various reasons, such as the need for special expertise and resources not available in-house. Nine supplemental agreements to existing agreements were processed in the amount of \$710,400 during this time period.

Executive Session on Legal and Personnel Issues, Section 67-2345(1)(a), (d), and (f), Idaho Code. Vice Chairman Sweeney made a motion to meet in executive session at 11:45 AM to discuss legal and personnel issues. Member Miller seconded the motion and it passed 6-0 by individual roll call vote.

A general discussion was held on pending or probable litigation related to SH-44; the I-84, Karcher Interchange project; the US-95, Mica Bay project; the operation of the state highway system; and the Tribal fuel tax negotiations, and matters that are exempt from disclosure related to contract negotiations.

A general discussion was held on personnel issues related to public officers.

The Board came out of executive session at 1:25 PM. No decisions were made.

Revenue Discussion. BPIRM Pipal summarized the establishment and efforts of the Forum on Transportation Investment. She emphasized that the 30-year improvements outlined in its report do not include maintenance and operations. Because the additional \$200 million needed to address the state's transportation system was identified in 2005, due to inflation, the annual cost in today's dollars is \$244.7 million. BPIRM Pipal presented two options to increase revenue by

over \$245 million annually.

Commercial Vehicle Services Manager Reymundo Rodriguez provided preliminary information on a Comprehensive Study of Fee Structures being conducted on vehicles that exceed 16,000 pounds. The final report will be presented in the near future. He summarized the history of the commercial vehicle registration system, which is currently based on maximum registered vehicle weight and six mileage categories. Fee comparisons were made with surrounding states. Registration fees and taxes for 5-axle intrastate vehicles traveling 50,000 miles per year averaged \$5,052, while Idaho's is \$4,581. In comparing costs for 105,500- pound intrastate vehicles, the average of the surrounding states is \$6,286, with Idaho's costs below the average at approximately \$5,750.

Transportation Planning and Programming Administrator (TPPM) Matthew Moore is in the process of updating the Surface Transportation Needs Assessment. Preliminary data indicates the state's total highway, bridge, and public transportation needs from 2006 through 2030 are \$26.95 billion, or \$1.2 billion annually. The study includes operation, maintenance, and expansion, but no investment strategy. The study uses minimally tolerable conditions for system maintenance and operation as the basis for modeling and estimation. The maintenance and preservation needs are estimated at \$12.37 billion, with upgrades and expansion responsible for the remaining \$14.58 billion. TPPM Moore said the next steps will be to provide the draft study to internal and external stakeholders for review and then seek input and direction from the Board.

BPIRM Pipal said efforts are currently underway to update the Highway Cost Allocation Study, last updated in 2002. A state-by-state comparison is also being prepared. Preliminary data indicates Idaho is below average for annual motor vehicle registration fees and fuel taxes when compared to surrounding states. The average is approximately \$353 while Idaho's equals \$223. She noted that some surrounding states have non-highway user revenue dedicated to fund transportation. The consensus of the Board was to include all revenue sources, both for other states and Idaho, as the needs study includes local jurisdictions, but not all of their revenue sources are included in the study.

Financial Year-End Summary for State FY07. ADA Tolman provided an overview on the FY07 financial statement. Although revenue from both federal and state sources has been increasing, the trend has been that revenue to the Highway Distribution Account has not been increasing as fast. Miscellaneous revenue has been essentially flat. The initial long-term investment of \$50 million in 2000 is down to \$31 million. The cash balance has fluctuated between \$15 million and \$40 million since 2002. He added that if revenue to ITD would cease, the cash available would support the Department for approximately two weeks.

Draft Legislation for 2008. At its July 2007 meeting, the Board approved 21 legislative idea

forms for the 2008 session. BPIRM Pipal reported that the Governor's Office has approved 12 ideas to date, including the aviation fuel tax increase. One item, the Hay Hauler Load Securing proposal, has been disapproved. The others, including a number of revenue proposals are being held for further review. BPIRM Pipal also reported that the industry is not comfortable with proceeding with the Design Build legislation at this time, so that proposal will be held. Draft legislation on the 12 approved proposals was presented.

Vice Chairman Sweeney made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Governor's Office has requested that state agencies submit ITB07-53 proposed 2008 legislation to the Division of Financial Management for review and approval; and

WHEREAS, the Idaho Transportation Board at the July 18-19, 2007 meeting reviewed and approved legislative ideas for submission to the Division of Financial Management; and

WHEREAS, the Board at the July 18-19, 2007 meeting also authorized Idaho Transportation Department staff to develop draft legislation for review and approval, prior to submission to the Division of Financial Management; and

WHEREAS, the Division of Financial Management approved legislative ideas for submittal as legislative proposals.

NOW THEREFORE BE IT RESOLVED, that the Board approves submittal of the proposed draft legislation for the concepts, as shown as Exhibit 345, which is made a part hereof with like effect, to the Division of Financial Management.

Delegation – Idaho Chamber Alliance. Kent Just said the statewide Idaho Chamber Alliance, which all chambers of commerce are eligible to join, held four regional meetings in Idaho. Transportation is very important to some regions and a lesser priority in other areas of the state. He believes transportation could be the Alliance's number one priority for the 2008 legislative session. Mr. Just expressed support to the Board for its efforts and offered assistance, as a good transportation system is vital to economic development.

Chairman Manning thanked Mr. Just for his comments and offer of assistance.

Old/New Business. Vice Chairman Sweeney made a motion, seconded by Member Miller, and passed unanimously to approve the following resolution:

RES. NO. WHEREAS, the staff of the Idaho Transportation Department has received an

ITB07-54 offer to settle the case of *State v. Woodgrain Millwork, Inc.* for \$825,000, including pre-judgment interest, costs, and attorney fees; and

WHEREAS, this total settlement in the amount of \$825,000 is just compensation for the property taken for right-of-way acquisition in the I-84, Karcher Interchange, Nampa, Stage 1 project in Canyon County.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board hereby approves a settlement in the amount of \$825,000 as just compensation for acquisition of the real property taken in the case of *State v. Woodgrain Millwork, Inc.*

Member Coleman made a motion, seconded by Member McClure, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board is charged with determining the timeframe and scope

ITB07-55 of improvements for the State Transportation System; and

WHEREAS, Idaho Code 40-315 authorizes federal-aid debt financing through the issuance of Grant Anticipation Revenue Vehicle (GARVEE) bonds by the Idaho Housing and Finance Association for highway transportation projects; and

WHEREAS, the maximum level of estimated bond proceeds within the bond financing and legal assumptions is \$998 million; and

WHEREAS, legislation enacted in 2006 and 2007 authorized the issuance of GARVEE bonds in principal amounts totaling \$450 million; and

WHEREAS, the Board is granted the statutory authority to adjust GARVEE bond proceeds allocated among the following legislatively authorized projects:

US-95, Garwood to Sagle, Kootenai and Bonner Counties

US-95, Worley North, Kootenai County

SH-16, Junction I-84 to Emmett

I-84, Caldwell to Meridian

I-84, Orchard to Isaacs Canyon

US-30, McCammon to Lava Hot Springs; and

WHEREAS, additional bonding will be required to complete the projects listed above, except US-95 Worley North, Kootenai County; and

WHEREAS, a FY09 Draft Working Plan has been developed considering project

costs, funding challenges, bonding limitations, traffic conditions, safety, public input, project schedules, funding projections, and other factors that the Board uses to prioritize transportation improvements.

NOW THEREFORE BE IT RESOLVED, that the Board approves the FY09 Draft Working Plan, which is on file in the GARVEE Program Office, and requests legislative bonding authority for FY09 in the principal amount of \$134 million, which shall be submitted as a separate item in the annual budget request from the Idaho Transportation Department for consideration during the 2008 legislative session.

Vice Chairman Sweeney reiterated his concern with the Department's revenue shortfall. He acknowledged that GARVEE bonding can be a valuable tool, but ITD needs additional revenue to address the transportation system. He also believes that the inflation factor has been lost, which was the main reason for the initial bonding proposal. For example, when the GARVEE Program was first introduced, the I-84, Ten Mile Interchange was estimated to cost \$20 million. Today it is estimated at more than \$60 million.

Member Miller expressed support for GARVEE at this time; however, he indicated that if additional funding is not provided for the state's transportation system, he would not support the GARVEE Program in the future. Member Blick expressed the same sentiment.

Member Combo indicated he would oppose the motion, noting that he objected to the initial GARVEE proposal.

Member McClure believes inflation will continue, so bonding is still a viable option. This funding mechanism will not solve the state's funding problems, so he believes it is imperative to continue the GARVEE Program. Although Member Coleman agreed with certain comments from all of the other members, he believes it is important to finish the GARVEE Program.

The motion passed 4-2 with Vice Chairman Sweeney and Member Combo dissenting.

Member Miller made a motion, seconded by Vice Chairman Sweeney, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department ITB07-56 to publish and accomplish a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal and state highway funding; and

WHEREAS, the Broadway Avenue Interchange on I-84 was damaged by intense heat after a semi-truck involved in a fatal accident caught on fire directly beneath; and

WHEREAS, the damage to the Department's structure necessitates weight restrictions on the southbound lanes of Broadway Avenue over the Interstate; and

WHEREAS, the District Design and Headquarters Bridge Sections have developed a plan to repair the Broadway Avenue Interchange requiring an estimated \$1,200,000 in design and construction costs to restore the functionality of the interchange; and

WHEREAS, the District has fully programmed all of its capital investment funds in FY08 and FY09; and

WHEREAS, \$2,000,000 is set aside annually for use by the Board for such unforeseen events in the State Board Unallocated Program; and

WHEREAS, all funds in the FY09 Board Unallocated Program are available; and

WHEREAS, the Department anticipates reimbursement in state FY09 by the insurance carrier of the motorist who caused the fire damage to this underpass.

NOW THEREFORE BE IT RESOLVED, that the Board authorizes the use of FY09 State Board Unallocated funds in the amount of \$1,200,000 to repair the Broadway Avenue Interchange on I-84.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 3:05 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
October 25, 2007
Boise, Idaho

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

October 24-25, 2007

The Idaho Transportation Board met at 1:00 PM, on Wednesday, October 24, 2007, in Boise, Idaho. The following principals were present:

Darrell V Manning, Chairman
Jim Coleman, Member – District 1
Monte C. McClure, Member – District 3
Neil Miller, Member – District 5
John X. Combo, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Sue S. Higgins, Board Secretary

Tour of Motive Power. The group toured Motive Power. The plant manufactures new commuter and switcher locomotives, provides locomotive fleet maintenance and service, and overhauls and remanufactures older locomotives for a variety of applications. Vice President/ General Manager Mark Warner and Director of Operations Curtis Duncan also talked about work force issues, such as training and retention. Safety is a high priority of the facility.

Executive Session on Legal Issues, Section 67-2345(1), (d), and (f), Idaho Code. The Board reconvened at the Idaho Transportation Department. Deputy Attorney General Karl Vogt was present. Member McClure made a motion to meet in executive session at 3:50 PM to discuss legal issues. Member Combo seconded the motion and it passed 4-0 by individual roll call vote.

Vice Chairman Bruce Sweeney, District 2, joined the meeting via teleconference at this time.

A general discussion was held on pending or probable litigation related to the operation of the state highway system; access on SH-44; the US-95, Mica Bay project; and matters that are exempt from disclosure related to contract negotiations.

The Board came out of executive session at 5:00 PM. No decisions were made.

WHEREUPON the meeting recessed at 5:00 PM.

October 25, 2007

The Board reconvened at 8:30 AM on Thursday, October 25, 2007, at the Transportation

Department in Boise. All members were present except Vice Chairman Sweeney and Member Gary Blick, District 4; however, Vice Chairman Sweeney participated via teleconference.

September 20-21, 2007 Board Minutes. Member Combo made a motion to approve the minutes of the regular Board meeting held on September 20-21, 2007 as submitted. Member Coleman seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:

November 14-15, 2007 – Boise

December 12-13, 2007 – Boise

January 16-17, 2008 – Boise

Consent Calendar. Member McClure asked if the Department receives comments on the annual report on speed zone changes by city ordinance after the report is distributed. He expressed concern that some of the speed zones become speed traps. Chairman Manning said a legislator recently approached him about changing Idaho Code to repeal municipalities' authority to establish speed limits on state highways within their city limits.

Member Coleman made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the revisions

ITB07-57 to Board Policy B-30-03, Division of Motor Vehicle/ County Automated Systems; speed minute entry changes, SH-1, District 1; and the annual report on speed zone changes by city ordinance; and has received and reviewed the contract award information; the program and district obligation graphs and tables, monthly status reports; and the August financial statement analysis.

1) Revisions to Board Policy B-30-03, Division of Motor Vehicle/County Automated Systems. Minor revisions were made to this policy, which outlines the relationship with the counties on motor vehicle and driver's licensing functions. ITD will maintain and manage the records and the equipment while the county shall provide the office space and staff for the motor vehicle and driver's licensing mandates.

2) Speed Limit Changes, SH-1, District 1. Staff conducted an engineering and traffic investigation on SH-1 from milepost (MP) 521.76 to 522.929 and MP 0.0 to 0.4. Based on the speed study results, road conditions, safety evaluation, and public support, District 1 recommends reducing the speed limit from 60 miles per hour to 45 miles per hour on SH-1, segment 30861, from MP 521.76 to 522.297; segment 1540, MP 522.297 to 522.929; and segment 1580, MP 0.0 to 0.4.

3) Annual Report on Speed Zone Changes by City Ordinance. Throughout the state, there are 57 locations in 29 cities where cities have imposed speed limit changes that have gone against the recommendations of the Department since legislation was enacted in 1997 allowing incorporated cities to establish speed limits within their jurisdiction on sections of the State Highway System. Authority to establish speed limits within highway sections with access control Types 4 and 5 is retained by ITD. The results from studies done since implementation of city-imposed speed limits through 2007 suggest drivers are more inclined to disobey city-imposed speed reductions. The data shows better conformance to speed limits established by standard engineering practices. No definite conclusions can be made on collisions due to limited information available. Upon approval, the report will be distributed to all municipalities referenced in the report, the Association of Idaho Cities, and all state legislators.

4) Contract Award Information. Key #6028, Portneuf River Bridge, Caribou County, District 5. Low bidder: Cannon Builders Inc. - \$856,431.

Key #10975 – I-84, Ten Mile Road Underpass, District 3. Low bidder: Cannon Builders Inc. - \$245,508.

Key #10562 – US-30, Junction 3200 East Road, Twin Falls County, District 4. Low bidder: Skyview Electric Inc. - \$303,122.

Key #9626 – I-84, Snake River View Rest Area Rehabilitation, District 3. Low bidder: King Excavation - \$995,293.

Key #9860 – SH-77, Connor Corner to Anderson Road, Cassia County, District 4. Low bidder: Kloefer Inc. - \$899,527.

The low bid on key #8892 – SH-25/I-84, Ridgeway Road Underpass, Jerome County, District 4, was more than ten percent over the engineer's estimate, requiring justification. The source for the engineer's estimate was the most recent unit price report and bid history on Bridge section special provisions. The majority of difference between the engineer's estimate and the apparent low bidder was in two bridge SPs and mobilization. Staff would like to complete the work before the FY08 overlay project that includes this structure in its limits. Because of the small scope of work, the District does not see an opportunity to restructure the project or get a better bid by re-advertising the project. The project was awarded. Low bidder: Cannon Builders Inc. – \$128,646.

The low bid on key #9409 – Lenville Road Surfacing, South Latah Highway District, District 2, was more than ten percent over the engineer's estimate, requiring justification. The source of the engineer's estimate was the Bid History Price Report within the Estimator Program and the

Average Unit Price Report for similar jobs within the District. The majority of difference between the engineer's estimate and the low bid were in the ¾" Aggregate for Base and Plant Mix Pavement Incl. Asphalt and Add items. The project sponsor, South Latah Highway District, requested rejecting the bid and dropping the project from the program. Staff rejected the bid.

5) Program and Construction Obligation Graphs, Monthly Status Reports. As of September 30, \$332.5 million had been obligated, or 97% of the planned amount. The total amount obligated for construction projects was \$209 million. Obligation information by program and district and project status reports for all 2007 projects were also presented.

6) August Financial Statement Analysis. Total federal aid for August was \$18.69 million ahead of projections. Revenue from the Highway Distribution Account was below projections by 5.8%. Expenditures for personnel were less than budgeted while expenditures in the other categories were greater than budgeted mostly due to timing issues. In contract construction, the federal and state programs were ahead of projections by 60% and 10%, respectively.

Aviation fuel tax revenue for August was 27.4%, or \$60,700, more than projections. Miscellaneous revenue was 47% less than forecast. An adjustment in accounts receivable in federal funds in the month of August indicates negative revenue; however, this amount will change as the grants that have been awarded are processed through the system. Overall expenditures were less than budgeted, although operating expenditures exceed projections due to encumbrances.

In the GARVEE Capital Projects Fund, expenditures in the amount of \$11.8 million were made on authorized projects. Utilization of bond proceeds was \$15.5 million less than the cash flow projected through the end of the month. The monthly payment from the GARVEE Debt Service Fund in the amount of \$588,450 was made.

Board Items. Chairman Manning reported on various meetings he attended recently. Some of the topics discussed were the I-84, Cole to Broadway Sound Wall project, a complaint on a truck registration issue, and transportation funding.

Chairman Manning received a list of reports that are presented to the Board on a regular basis. He will review the list and provide suggestions, as he believes some of the reports can be combined.

Chairman Manning mentioned the recent death of Charlie Clark, special representative for the president of Union Pacific Railroad. Because of his extensive work in the transportation arena, a moment of silence was held in remembrance of Mr. Clark.

Member Sweeney commented on the employee performance evaluation process. He does not

believe the Board has been diligent with evaluating the Director's performance. He expressed support for the evaluation process and believes it is a valuable tool.

Director's Report. Director Lowe said District 2 held a ribbon-cutting ceremony on the US-95, Top of Lewiston Hill to Genesee project recently. It was a successful event with a number of legislators and local officials in attendance.

Idaho did not receive any FY07 federal discretionary funds, according to Director Lowe. Most of that money was targeted for congestion relief. She added that no announcements have been made on the FY08 funding and that states were limited to two application requests in FY09.

Director Lowe reported that the Special Experimental Project 15 for the Connecting Idaho Partners to act as ITD's agent has been denied, except for minor right-of-way actions.

Director Lowe distributed a draft report on the Department's efficiency measures. The report is being compiled for the upcoming legislative outreach meetings. It includes recently-completed efficiency measures and those that have been identified to implement in the near future. She commended Office of Communications Manager Jeff Stratten and his staff for their extensive efforts on the report.

Director Lowe provided an update on the I-84, Broadway Bridge repairs. The underpass was damaged last month when a truck hit it and caught fire. She commended Chief Engineer (CE) Steve Hutchinson and the Division of Highways' staff on their efforts to repair the structure.

Director Lowe introduced Randy Kyrias, recently hired to fill the Public Transportation Administrator (PTA) position. Before joining ITD, he was the Deputy Director of Valley Regional Transit. PTA Kyrias said one of his goals is to develop good relationships with ITD's partners. He believes it is important to foster cooperation and collaboration.

Director Lowe also introduced Jon Pope, the recently-hired Chief Technology Officer. She believes his extensive background in both the public and private sector will be valuable in his roll overseeing technology. He was previously employed at the Department of Lands.

Director Lowe showed a video of various advertisements that Salt Lake City businesses created to promote an initiative to increase transportation funding in Utah. "Proposition 3" was passed by the Utah Legislature in 2006. It allows any county in Utah to impose, through a majority vote of registered voters in that county, a 1/4 cent local option sales tax within the county to be dedicated to transportation.

Disadvantaged Business Enterprise (DBE) Program Disparity Study – Draft Report. Consultant

Dave Keen summarized the draft findings and recommendations for making adjustments to the DBE Program and ITD's procurement practices, procedures, and policies. ITD must implement the federal DBE Program to receive federal funds. The preliminary conclusions indicate the Department should use a base figure of 10.5% for its DBE goal; there is evidence of disparity for certain groups; DBE contract goals might not be an appropriate remedy at this time; ITD should continue its current DBE development programs; and ITD needs enhanced tracking overall and for individual primes.

Mr. Keen summarized the preliminary conclusions for ITD remedies. Reintroduction of the DBE contracting goals might not be effective. ITD should provide substantial technical assistance, improve the information it provides on engineering opportunities, track the utilization of minority- and women-owned business enterprises, and monitor individual prime use of these businesses. Mr. Keen added that the draft report will be distributed for public review and comment and the report may be revised based on additional information.

Chairman Manning thanked Mr. Keen for the update and expressed appreciation to staff for its efforts on this important program.

Board Policy B-27-06, State Aircraft Operation. Aeronautics Administrator (AA) John DeThomas summarized Board Policy B-27-06, which addresses the operation of the state's aircraft. He said the Aeronautics Advisory Board recommends revising the policy to operate the aircraft as Public Aircraft using Federal Aviation Administration (FAA) general aviation rules. Previously, the policy required state air operations to use FAA Air Taxi Rules. He added that appropriate safety requirements will be met using the Flight Operations Manual.

Vice Chairman Sweeney made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, safety and efficiency are of paramount importance in the operation of state aircraft; and

ITB07-58

WHEREAS, the Idaho Transportation Department is committed to providing safe, efficient operations of state operated or leased aircraft; and

WHEREAS, Idaho state aircraft operate as public aircraft under those regulations defined by the Federal Aviation Administration (FAA); and.

WHEREAS, public aircraft operations follow the requirements of Title 14, Code of Federal Regulations, Chapter 91.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board

approves the revisions to Board Policy B-27-06, State Aircraft Operations, updating the requirements to follow FAA general aviation rules.

Employee Service Awards. The Board participated in the employee service awards. Member Combo provided remarks on behalf of the Board.

Idaho Air Transportation Investment Forum – Summary Report. AA DeThomas presented the draft executive summary of the Idaho Air Transportation Investment Forum. The Forum was established in 2005 to better understand the system needs and available options for funding Idaho's air transportation system. The goals were to develop specific revenue generating ideas that might succeed, develop a game plan to build a strong coalition of support to assist in gaining acceptance of ideas, and develop recommendations on the priority and timing of requesting revenue generating ideas. The consensus of the Forum members was that an aviation fuel tax increase would be the most realistic option to provide a significant increase in revenue.

AA DeThomas believes that the Forum process validated the need for additional revenue for air transportation. It acknowledged the tremendous financial needs and insufficient revenue to address those needs.

Chairman Manning said that he served on the Forum. He believes it was a good process.

Member McClure made a motion, seconded by Member Combo, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Forum on Air Transportation Investment (Forum) was initiated in February 2005
ITB07-59 by the Idaho Transportation Board; and

WHEREAS, the Forum was chartered by the Board to undertake a study along with willing partners to understand the needs and available options for financing Idaho's air transportation system and create understandable proposals that lead to long-term consistent and coordinated solutions that address financial needs; and

WHEREAS, the Forum found that Idaho was the third fastest growing state in the nation; that the population was expected to grow by 56 percent by 2030; and that the population of some areas is expected to grow in excess of 100 percent; and that Idaho airports account for an estimated \$1.56 billion of economic activity per year; and

WHEREAS, funding for Idaho's air transportation system was last addressed in 1992; and

WHEREAS, the average increases to the Aeronautics Division revenue have been flat, with revenue only increasing between 1 and 2 percent annually over the past decade; and

WHEREAS, inflation has increased 52 percent over the past ten years and has greatly reduced the ability of the Idaho Transportation Department to provide appropriate support for aviation in Idaho; and

WHEREAS, the Forum concluded that Idaho will continue to grow at an historic pace; increased air transportation is essential to the state's economy; Idaho's current air transportation revenue structure will not meet the pressing funding needs of more than \$20 billion over the next 30 years; federal funding cannot be relied upon to solve Idaho's air transportation funding challenges; and increased air transportation funding must be addressed now; and

WHEREAS, the Board has already acted to recommend legislative action to increase Aeronautics' revenue by means of an aviation fuel tax increase.

NOW THEREFORE BE IT RESOLVED, that the Board accepts and approves the summary report of the Idaho Air Transportation Investment Forum.

Meeting with the Motor Carrier Advisory Committee (MCAC). Vehicle Size and Weight Specialist Reggie Phipps summarized Idaho's off-tracking requirements. Criteria used to determine the requirements on routes are accident rate, curvature of the highway, average daily traffic, and passing site distance. ITD uses performance based criteria to ensure the safety of the traveling public and the protection of its infrastructure. She also reported on the surrounding state's requirements.

MCAC Chairman Jack Buell thanked Ms. Phipps for the presentation and stated that he had no issues or concerns with Idaho's off-tracking requirements. He asked that the Department continually review system routes and promptly update the Extra-Length Map as needed.

MCAC Chairman Buell reported that the Committee, at its meeting earlier that morning, approved reducing the trip permits to 72 hours. MCAC Member Evan Hayes added that the Committee will not be recommending a permit fee. It believes the Board should determine the fee amount as part of its overall revenue package.

Chairman Manning recognized Senator Shawn Keough and thanked her for attending the meeting.

Revenue Discussion. Economics and Research Manager Doug Benzon provided an update on the

Highway Cost Allocation Study. The study examined the revenues collected and expenditures made; reviewed all revenue for highways, roads, and streets by functional class and vehicle type; and estimated the equity ratios for vehicle types. The equity ratio, at current spending levels, indicates that autos are paying 21% more than their current cost responsibility and pickups are paying 2% over current cost responsibility, while combination trucks are paying 19% under their current cost responsibility. Given the transportation needs that exceed current revenue, all vehicle classes are underpaying.

Delegation – Kootenai Metropolitan Planning Organization (KMPO). KMPO Executive Director Glenn Miles thanked the Board for its time. He summarized the Bridging the Valley project, which is to improve public safety through the elimination of dangerous at-grade crossings along the Burlington Northern Santa Fe rail line in northern Idaho. Congress provided \$5 million for this project in the Safe, Accountable, Flexible, and Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU). Mr. Miles asked the Board to partner with KMPO, the City of Rathdrum, and Post Falls Highway District by providing a portion of the match on two SH-53 projects: Pleasant View Road and Rathdrum Main Street Extension. Both projects provide substantial and permanent safety benefits to ITD's system.

The cost to complete the Pleasant View Road project to construction is \$2,109,228. The required match of 20% equals \$421,846. Due to the significance of the interchange to SH-53, a 60/40 split is being proposed, which means ITD's share would be \$253,107.

For the Rathdrum Main Street Extension, readying the project for construction is estimated at \$1,736,670. Because of the work on SH-53, the recommended match split is 68/32, or \$236,187 from the state. Mr. Miles added that the construction funds have not been identified. Those costs are estimated at \$16 million for Pleasant View Road and \$12 million for the Rathdrum Main Street Extension. Funding from the Federal Railroad Administration's Rail Relocation and Capital Investment Program is anticipated.

Chairman Manning asked Mr. Miles to continue working with District 1 on this proposal.

Delegation – Kastera Homes. Wayne Forrey, Director of Planning and Development for Kastera Development, LLC, thanked the Board members for their time. Kastera Homes owns property in Canyon County near Lake Lowell. It has discussed a proposed South Treasure Valley Bypass Loop with Canyon County officials, who support the proposal. With the population growth expected to continue in the Treasure Valley, Mr. Forrey believes it is imperative to develop a southern bypass. He asked the Board to consider a corridor preservation partnership for the proposed bypass, direct staff to meet with landowners to explore a private sector-based initiative, and to seek partnerships and grant funding to proceed with the proposal. Mr. Forrey said that Kastera Homes can provide seed money and match for the Transportation, Community, and

System Preservation Program partnership.

In response to Chairman Manning's question on the outreach that has been done to date on this proposal, Mr. Forrey responded that in addition to working with Canyon County officials, he has discussed the concept with the Community Planning Association of Southwest Idaho (COMPASS). He added that this corridor has been identified in a number of studies.

Chairman Manning asked staff to discuss the proposed South Treasure Valley Bypass Loop with COMPASS to determine its status.

Right-of-Way Presentation. David Walterscheid, Realty Specialist, Federal Highway Administration, summarized the federal Uniform Relocation Assistance and Property Acquisition Act. The law was enacted to ensure that people whose real property is acquired or who move as a result of projects receiving federal funds will be treated fairly and equitably and will receive assistance in moving from the property they occupy. He also discussed opportunities to accelerate project timelines and reduce costs. Some of these options are to begin the right-of-way functions prior to the final NEPA decision; use state or local funds for acquisition; incentive payments; and administrative settlements.

Chairman Manning thanked Mr. Walterscheid for the informative presentation.

Access Management Outreach. Assistant Chief Engineer – Operations (ACE-O) Greg Laragan summarized the outreach plan to educate legislators and local elected officials on access management issues. Six meetings will be held around the state, one in each District. A summary of ITD's plans to address access management and the proposed Transportation Access Plan legislation will be presented. The meetings will conclude with a question and answer session. Staff intends to complete these meetings by the end of November. A couple of brochures and a DVD on access management will be available for distribution. ACE-O Laragan added that presentations to the Senate Transportation and House Transportation and Defense Committees and to other groups as identified or requested will also be scheduled.

Member Miller believes it would be beneficial for some Planning and Zoning Commissioners to attend these meetings and learn about access management.

Chairman Manning thanked ACE-O Laragan for the update on this effort.

Passing Zones and Passing Lane Establishment on Two-Lane Highways in Idaho. Highway Operations and Safety Engineer (HOSE) Brent Jennings explained the procedures to establish passing zones and passing lanes. The need for passing lanes is based on an engineering study of the level of service, an examination of highway characteristics, and conducting a field study of

traffic patterns and volume. The benefit of passing lanes extends downstream three to eight miles. He emphasized that safety should be the main consideration.

HOSE Jennings believes a repeatable, documented process for field measurements is needed. Additional steps would be to develop procedures for field establishment of no passing zones, incorporate periodic reviews, and establish a dedicated passing program in each District.

Some discussion followed on the Districts' ability to construct some projects like passing lanes or left-turn lanes. Although there was some support to give District Engineers more flexibility to identify needed improvements and construct small projects, it was noted that the Department is not to compete with the private sector.

Chairman Manning thanked HOSE Jennings for the presentation.

Professional Service Agreements and Term Agreement Work Task Report. The Consultant Administration Unit processed \$1,156,600 in new professional service agreements and work tasks from September 1 through September 30, according to CE Hutchinson. The agreements were issued for various reasons, such as the need for special expertise and resources not available in-house. Six supplemental agreements to existing agreements were processed in the amount of \$696,045 during this time period.

Annual Update on ITD's Research Program. Research Program Manager (RPM) Ned Parrish said SAFETEA-LU requires states to set aside 2% of its federal funds for planning and research. ITD's Research Program focuses on applied research, implementing research findings, and connecting the strategic direction to research projects. He summarized the activities in FY07, including the development of draft master agreements to clarify university and ITD responsibilities, continued efforts to improve financial management, started developing a research program website, developed bridge rating software for the Perrine Bridge, and initiated two new research projects: performance tests to enhance Superpave mix design and a study of materials used in pavements.

The FY08 budget is \$1.3 million, with approximately \$150,000 from state funds, and will be used for pooled fund studies, new research projects, and administration. RPM Parrish said the Research Advisory Council selected 11 of the 29 proposed projects to fund in FY08 at an estimated cost of \$500,000. Projects address the Department's strategic goals and key initiatives of practical design, review of specifications, customer service, and efficiency. Some of the projects are a review of the pavement design and specifications, an examination of ways to minimize bridge deck cracking, a study of solutions to improve the chip sealing process, and a survey of state and local highway staff training needs. Goals for FY08 are to update and finalize program procedures, build an online library for ITD research reports, develop search tools to help

staff find information about research and best practices in other states, and assess staffing needs for the research program.

Member Miller expressed support to work with other states. With ITD's minimal research budget and funding concerns, he believes it is important to utilize other states' studies.

Chairman Manning thanked RPM Parrish for the report.

Western Heritage Historic Byway Extension Proposal, District 3. Garry Young, Scenic Byways Program Manager (SBPM), reported that the Western Heritage Foundation, Inc. is requesting a ten-mile extension of the Western Heritage Historic Byway. The extension of this National Scenic Byway would include Celebration Park along Victory Lane, McDermott Road, Warren Spur Road, Sinker Road, Hill Road, Ferry Road, and SH-45 to Walters Ferry. A number of entities support this request, including District 3. The Scenic Byways Advisory Committee (SBAC) recommends Board approval of this extension.

Member Combo made a motion, seconded by Member McClure, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board established the Scenic Byways Advisory Committee (SBAC)

ITB07-60 on June 21, 1996; and

WHEREAS, among its purposes the SBAC is to provide advice and recommendations concerning the Scenic Byway Program to the Board; and

WHEREAS, all local requests for Scenic Byway designation or extension are to be submitted to the SBAC for review and consideration; and

WHEREAS, the Western Heritage Foundation submitted a request to extend the Western Heritage Historic Byway by 10 miles to include Victory Lane, McDermott Road, Warren Spur Road, Sinker Road, a portion of Hill Road, Ferry Road, and a portion of SH-45 to the Snake River; and

WHEREAS, the SBAC has found the request for this designation to comply with its established criteria and with District 3 support recommends Board approval.

NOW THEREFORE BE IT RESOLVED, that the Board approves the extension of the Western Heritage Historic Byway to include the aforementioned route description; and

BE IT FURTHER RESOLVED, that the extension shall be so designated on the Idaho Official State Highway Map and signed as such.

Snake River Canyon Scenic Byway Proposal, District 3. SBPM Young said the Snake River Canyon Scenic Byway Corporation is proposing a 55-mile byway in southwestern Canyon County. The byway would basically parallel the Snake River on local roads, beginning near Walters Ferry on SH-45, traveling northwest near Marsing, then continuing past Parma and ending at the intersection of US-20/26 with the Snake River near Nyssa, Oregon. The byway would emphasize agriculture and would include Fort Boise, the Deer Flat National Wildlife Refuge and the archeology, history and culture of the area. Numerous letters of support were received for this designation, including from District 3. The SBAC has reviewed the proposal and recommends Board approval.

Member McClure made a motion, seconded by Member Coleman, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board established the Scenic Byways Advisory Committee (SBAC)
ITB07-61 on June 21, 1996; and

WHEREAS, among its purposes the SBAC is to provide advice and recommendations concerning the Scenic Byway Program to the Board; and

WHEREAS, all local requests for Scenic Byway designation are to be submitted to the SBAC for review and consideration; and

WHEREAS, the Snake River Canyon Scenic Byway Corporation submitted a request to designate a route from the Snake River on SH-45 along Map Rock Road, and portions of Deer Flat Road, Chicken Dinner Road, Lowell Road, Plum Road, Homedale Road, Allendale Road, Ustick Road, Fargo Road, Dixie Road, Wamstad Road, and Apple Valley Road to a junction with US-20/26 and the Snake River at Nyssa, Oregon as the “Snake River Canyon Scenic Byway”; and

WHEREAS, the SBAC has found the request for this designation to comply with its established criteria and with District 3 support recommends Board approval.

NOW THEREFORE BE IT RESOLVED, that the Board approves the designation of the aforementioned route description as the “Snake River Canyon Scenic Byway”; and

BE IT FURTHER RESOLVED, that the “Snake River Canyon Scenic Byway” shall

be so designated on the Idaho Official State Highway Map and signed as such.

Thousand Springs Scenic Byway Corridor Management Plan (CMP), US-30/US-93/SH-50, District 4. SBPM Young presented the CMP for the Thousand Springs Scenic Byway. The document was funded by the Thousand Springs Scenic Byway Advisory Committee and South Central Idaho Tourism. It addresses the items required by federal statute that provides a framework to enhance and preserve the desired natural rural character of the scenic byway corridor while encouraging recreation and improving roadway safety. There is extensive support for this CMP, including from District 4. The SBAC has reviewed the document and recommends Board approval.

Member Combo made a motion, seconded by Member McClure, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board established the Scenic Byways Advisory Committee (SBAC)

ITB07-62 on June 21, 1996, to provide advice and recommendations concerning the Scenic Byway Program to the Board; and

WHEREAS, corridor management plans (CMP) are 1) important for the protection and orderly development of scenic byways, 2) required for National Scenic Byway designation, and 3) key to gaining priority for National Scenic Byway funding; and

WHEREAS, the Thousand Springs Scenic Byway Advisory Committee in conjunction with South Central Idaho Tourism has completed a CMP; and

WHEREAS, all CMPs are to be submitted to the SBAC for review and consideration before Board action; and

WHEREAS, the SBAC has reviewed the CMP, concurring with District 4 that the plan adequately addresses the issues of the Thousand Springs Scenic Byway.

NOW THEREFORE BE IT RESOLVED, that the Board approves the corridor management plan for the Thousand Springs Scenic Byway.

Salmon River Scenic Byway CMP, SH-75/US-93, District 6. The Salmon River Scenic Byway Advisory Committee and Lemhi County Economic Development Association funded a CMP for the Salmon River Scenic Byway. SBPM Young provided the document and elaborated on the effort, which was a collaboration of the communities along the byway that includes undertaking actions, such as zoning and other protective measures, to preserve the historic, cultural, recreational, archeological, and natural integrity of the Byway and the adjacent area. Letters of

support for the CMP were received from a number of entities, including District 6. The SBAC reviewed the CMP and recommends Board approval.

Member Combo made a motion, seconded by Member McClure, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board established the Scenic Byways Advisory Committee (SBAC)

ITB07-63 on June 21, 1996, to provide advice and recommendations concerning the Scenic Byway Program to the Board; and

WHEREAS, corridor management plans (CMP) are 1) important for the protection and orderly development of scenic byways, 2) required for National Scenic Byway designation, and 3) key to gaining priority for National Scenic Byway funding; and

WHEREAS, the Salmon River Scenic Byway Advisory Committee in conjunction with the Lemhi County Economic Development Association has completed a CMP; and

WHEREAS, all CMPs are to be submitted to the SBAC for review and consideration before Board action; and

WHEREAS, the SBAC has reviewed the CMP, concurring with District 6 that the plan adequately addresses the issues of the Salmon River Scenic Byway.

NOW THEREFORE BE IT RESOLVED, that the Board approves the corridor management plan for the Salmon River Scenic Byway.

Sacajawea Historic Byway CMP, SH-28/SH-33, District 6. SBPM Young presented the CMP for the Sacajawea Historic Byway. The Plan was developed by the Sacajawea Historic Byway Advisory Committee and Lemhi County Economic Development Association in accordance with federal requirements. The document has broad support, including from District 6. The SBAC also reviewed this CMP and recommends Board approval.

Member Combo made a motion, seconded by Member Coleman, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board established the Scenic Byways Advisory Committee (SBAC)

ITB07-64 on June 21, 1996, to provide advice and recommendations concerning the Scenic Byway Program to the Board; and

WHEREAS, corridor management plans (CMP) are 1) important for the protection and orderly development of scenic byways, 2) required for National Scenic Byway designation, and 3) key to gaining priority for National Scenic Byway funding; and

WHEREAS, the Sacajawea Historic Byway Advisory Committee in conjunction with the Lemhi County Economic Development Association has completed a CMP; and

WHEREAS, all CMPs are to be submitted to the SBAC for review and consideration before Board action; and

WHEREAS, the SBAC has reviewed the CMP, concurring with District 6 that the plan adequately addresses the issues of the Sacajawea Historic Scenic Byway.

NOW THEREFORE BE IT RESOLVED, that the Board approves the corridor management plan for the Sacajawea Historic Scenic Byway.

Fort Henry Historic Byway Extension Proposal, District 6. The Fort Henry Historic Byway Committee is proposing a 23-mile extension of the Fort Henry Historic Byway, according to SBPM Young. The extension would be from the intersection of Salem Highway and 500 North in Fremont County east through St. Anthony along US-20 Business, and then following old US-191 to US-20 at Ashton. The Byway Committee believes it is important to extend the byway to connect with the Mesa Falls Scenic Byway for coordinated marketing and promotion. Letters of support were received from a number of entities, including District 6. The SBAC reviewed the proposal to extend this byway and recommends Board approval.

Member Coleman made a motion, seconded by Member Combo, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board established the Scenic Byways Advisory Committee (SBAC)

ITB07-65 on June 21, 1996; and

WHEREAS, among its purposes the SBAC is to provide advice and recommendations concerning the Scenic Byway Program to the Board; and

WHEREAS, all local requests for Scenic Byway designation or extension are to be submitted to the SBAC for review and consideration; and

WHEREAS, the Fort Henry Historic Byway Committee submitted a request to extend the Fort Henry Historic Byway by 23 miles beginning at the junction of Salem Highway and 500 North in Fremont County and proceeding east through St. Anthony

along US-20 Business, then turning at the Fun Farm Sportsman Access and following old US-191 past Chester to US-20 at Ashton; and

WHEREAS, the SBAC has found the request for this designation to comply with its established criteria and with District 6 support recommends Board approval.

NOW THEREFORE BE IT RESOLVED, that the Board approves the extension of the Fort Henry Historic Byway to include the aforementioned route description; and

BE IT FURTHER RESOLVED, that the extension shall be so designated on the Idaho Official State Highway Map and signed as such.

Renewal of Contract for Washington Legal Counsel – John DeVierno. Linda Emry, Management Assistant, Budget, Policy, and Intergovernmental Relations (MABPIR), summarized the Department's use of legal counsel in Washington, DC. Since 1994, the 5-State Coalition, comprised of Idaho, Montana, North Dakota, South Dakota, and Wyoming, retained Mr. John DeVierno as a legislative consultant to provide analysis and advice on transportation issues. The contract has been renewed or extended every two years since 1997. Mr. DeVierno also performs work specifically for Idaho, which is charged separately than through the 5-State Coalition contract. The contract amount has been \$60,000 annually per state for the past six years. Mr. DeVierno is requesting an increase for the new contract, which is to start January 1, 2008 and end December 31, 2009. MABPIR Emry requested Board approval to increase the contract amount to an amount not to exceed \$70,000 per annum.

Member Combo expressed support for the 5-State Coalition. He believes it has been advantageous for ITD to be part of the Coalition and to have legal counsel in Washington, DC. He noted that the Board was kept apprised of the 5-State Coalition's activities early on, but has not received information on the group for some time. He requested a briefing next month on the Coalition and ITD's internal procedures.

Member Combo made a motion, seconded by Member Miller, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Department has been a member of the "5-State Coalition" (officially
ITB07-66 the "Rural States Federal Transportation Policy Development Group") since 1994 with the transportation departments of Montana, North Dakota, South Dakota, and Wyoming for the purpose of ensuring federal government recognition of and funding for rural states transportation interests; and

WHEREAS, the 5-State Coalition has since 1994 retained Mr. John DeVierno as a

legislative consultant to provide analysis and advice on transportation issues relating to federal highway, rail, transit, and aeronautics programs; transportation and appropriations acts; and transportation legislation and regulations; and

WHEREAS, Mr. DeVierno has served as a daily contact in Washington, DC for ITD and the 5-State Coalition with Congressional members and staff, congressional committees, the U.S. Department of Transportation, and other transportation related organizations such as the American Association of State Highway and Transportation Officials and the Western Association of State Highway and Transportation Officials; and

WHEREAS, this working arrangement has provided the Department with a very cost-effective and successful method to have direct input into and affect on the federal transportation policy making and funding process; and

WHEREAS, the current two-year contract with Mr. DeVierno as a legislative consultant to ITD as a member of the 5-State Coalition will expire on December 30, 2007; and

WHEREAS, the current rate of the contract, set at a maximum of \$60,000 per year for each state, has not been increased for a period of six years.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board approves use of state operating funds for a legislative consultant contract with Mr. John DeVierno in an amount not to exceed \$70,000 per annum for the period of January 1, 2008 through December 31, 2009, and allows the Department to participate in a multi-state contract with Mr. DeVierno for such legislative consultant services, and additional payments for Idaho specific services, provided, however, that the contract must have an Idaho-specific escape clause permitting withdrawal from the contract upon Board direction to do so.

New Business. David Hensley, Counsel to the Governor, reported on the Tribal fuel tax negotiations. To date, agreements have been signed with the Coeur d'Alene and Sho-Ban Tribes. Negotiations are almost complete on the agreement with the Nez Perce Tribe. He added that the Kootenai Tribe has requested to negotiate an agreement. Although it is not currently affected by the fuel tax issue, the Tribe is planning for the future and would like an agreement at this time.

Mr. Hensley said the agreements require the Tribes to collect a 25-cent per gallon fuel tax. If the state increases its fuel tax, the Tribes must increase their tax. The money is to be spent on transportation projects in the area. He noted that planning activities and public transportation are

eligible projects and that the Tribes may partner with other governments on projects. Additionally, specific to the Sho-Ban agreement, the state will be able to collect and keep the state tax on 85% of the diesel fuel delivered to retailers on the Fort Hall Reservation to address the International Fuel Tax Agreement.

Chairman Manning asked about accountability for the fuel tax revenue. Mr. Hensley responded that an accountability mechanism is included in the agreements. The Tribes are to submit annual reports on their fuel tax expenditures.

Chairman Manning thanked Mr. Hensley for the report on the Tribal fuel tax agreements.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 3:55 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
November 14, 2007
Boise, Idaho

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

November 14, 2007

The Idaho Transportation Board met at 8:35 AM, on Wednesday, November 14, 2007, at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

Darrell V Manning, Chairman
Bruce Sweeney, Vice Chairman – District 2
Jim Coleman, Member – District 1
Monte C. McClure, Member – District 3
Gary Blick, Member – District 4
Neil Miller, Member – District 5
John X. Combo, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Board Secretary

October 24-25, 2007 Board Minutes. Member Coleman made a motion to approve the minutes of the regular Board meeting held on October 24-25, 2007 as submitted. Member Miller seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:

December 12-13, 2007 – Boise
January 16-17, 2008 – Boise
February 20-21, 2008 – Boise

Consent Calendar. Vice Chairman Sweeney made a motion, seconded by Member Blick, and passed unopposed, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the certification

ITB07-67 of receipts and disbursements; relinquishment of a portion of US-95, District 1; revisions to Board Policy B-09-11, Idaho Scenic Byways Program; and revisions to Board Policy B-05-19, Right of Way Fencing; and has received and reviewed the annual report on Railroad Grade Crossings; the report on assistance to the Filer Highway District, District 4; the program and district obligation graphs and tables, monthly status reports; and the September financial statement analysis.

1) Certification of Receipts and Disbursements. The certification of receipts and disbursements cash basis, as shown as Exhibit #346, which is made a part hereof with like effect, was submitted

for Board approval in conformance with the requirements of Section 40-708, Idaho Code. The Department's cash balance as of June 30, 2007 was \$39,718,090.

2) Relinquishment of a Portion of US-95, District 1. With the recent completion of the US-95, Setters to Bellgrove, Stages 1 and 2 projects in District 1, a former portion of US-95 is to be relinquished to the Worley Highway District. This is in accordance with the Road Closure and Maintenance Agreement dated December 22, 2004. The Official Minute is shown as Exhibit 347, which is made a part hereof with like effect.

3) Revisions to Board Policy B-09-11, Idaho Scenic Byways Program. Earlier this year, the Scenic Byways Advisory Committee reviewed the Idaho Scenic Byways Program policies. It recommended minor revisions to both the Board and Administrative policies.

4) Revisions to Board Policy B-05-19, Right of Way Fencing. No significant revisions were recommended for the Right of Way Fencing policy.

5) Annual Report on Railroad Grade Crossings. The cash balance in the Railroad Grade Crossing Protection Account as of October 30, 2007 was \$649,683; however, \$122,512 has been obligated for 11 projects. In 2006, there were 22 total rail/highway collisions with three fatalities.

6) Assistance to Filer Highway District, District 4. Several years ago, the issue of who would pay for the maintenance or repair of Pole Line Road and 2400 East prior to the construction of the US-93, Twin Falls Alternate Route was raised. ITD acknowledged that, upon completion of the first stage of the US-93 project, there may be additional traffic that would impact the local system. After the second stage is completed, the existing county road would become a frontage road under local jurisdiction. It is anticipated that during construction of this stage, the local roads would be rebuilt using project funds. The expected cost of the project is around \$1 million for approximately four miles of rehabilitation, although some additional savings may be realized. If the District is to fund repairs for Pole Line Road and 2400 East now, the current Program will have to be evaluated and other projects may be delayed.

7) Program and District Obligation Graphs and Tables, Monthly Status Reports. As of October 31, \$18.9 million had been obligated, or 5% of the planned amount. The total amount obligated for construction projects was \$13.4 million. Obligation information by program and district and project status reports for 2008 projects were also presented.

8) September Financial Statement Analysis. Total federal aid for September was \$39.1 million ahead of projections. Revenue from the Highway Distribution Account (HDA) was below projections by 5.7%. It is too early to predict the amount of HDA year-end shortfall, but staff believes there will be a shortfall. Expenditures for personnel were less than budgeted. Operating

expenditures reflected a 10.3% positive variance and Capital Equipment showed a 1% negative variance. In contract construction, the federal program was ahead of projections by 62% and the state program was 3% behind projections.

Aviation fuel tax revenue for September was 11.2%, or \$50,000, more than projections. Miscellaneous revenue was 30% more than forecast. Overall expenditures were less than budgeted.

In the GARVEE Capital Projects Fund, expenditures in the amount of \$18.1 million were made on authorized projects. Utilization of bond proceeds was \$15.9 million less than the cash flow projected through the end of the month. The monthly payment from the GARVEE Debt Service Fund in the amount of \$588,450 was made.

Board Items. Chairman Manning reported on a recent trip to Canada, focusing on the CANAMEX corridor, with Director Lowe. Some of the briefings during the tour included security, border issues, container traffic, and commerce. Chairman Manning also attended several meetings recently related to transportation funding and proposed legislation.

Director's Report. Director Lowe said a continuing resolution has been approved at the national level for transportation, as the FY08 appropriations have not been passed.

Director Lowe gave a brief overview on Valley Regional Transit's and Community Planning Association of Idaho's proposed legislation for a regional public transit authority that could impose a local option tax. The revenue generated from the sales tax could be used for either transit or highways. The legislation has not been finalized, with the make-up of members one of the issues to be determined.

The environmental documents for the I-84, Ten Mile Interchange and I-84, Orchard to Eisenman project have been approved by the Federal Highway Administration (FHWA), according to Director Lowe. Right-of-way acquisition can proceed. She commended staff and the consultants for the expedited work on those projects.

Director Lowe distributed the outdoor advertising brochure that has been finalized. She complimented staff for its efforts on that document.

Avalanche Forecasting and Mitigation, SH-21, District 3. District 3 Region 2 Engineer (RE) Tom Points provided background on the Canyon Creek area of SH-21, which is a high avalanche hazard location. Over 50 avalanche chutes have been documented between Grandjean and Banner Summit. Until the 1980s, the route was routinely closed during the winter months due to the resources needed to clear snow from the highway and to maintain the safety of the traveling

public. Since 1986, at the direction of the Governor and the Board, there has been a concerted effort to keep SH-21 open in winter if safety of the traveling public and ITD employees is not compromised.

RE Points summarized the Winter Operating Plan, which has been developed to outline procedures for safety, operations, avalanche forecasting, avalanche control, and search and rescue. Options to help control avalanches are the “Avalauncher”, which uses compressed air to expel explosives into avalanche paths, and helicopter services to deliver explosives to avalanche start zones. The US Forest Service has issued ITD a permit to pursue an avalanche program using explosives to bring down snow in a controlled manner. The estimated operating costs, including helicopter contract, avalanche technicians, safety training, and snow removal expenses, are \$228,000 per season. He added that the City of Stanley has been vocal in its support to keep SH-21 open. Winter recreation is an important component of the area’s economy. Additionally, the citizens of the greater Stanley area rely on SH-21 to travel to Boise for various reasons, including business, medical, and governmental services.

Member Combo asked who has the authority to close the road. RE Points responded that the maintenance foreman has that authority. Member Combo suggested making it clear that the maintenance foreman has that responsibility, whether it is stated in a policy or another document.

Chairman Manning thanked RE Points for the informative presentation.

Professional Service Agreements and Term Agreement Work Task Report. The Consultant Administration Unit processed \$1,602,500 in new professional service agreements and work tasks from October 1 through October 30, according to CE Hutchinson. The agreements were issued for various reasons, such as the need for special expertise and resources not available in-house. Seven supplemental agreements to existing agreements were processed in the amount of \$154,500 during this time period.

Efficiency Measures Report. Office of Communications Manager (OCM) Jeff Stratten distributed copies of the updated draft efficiency report. The document summarizes the efficiency measures since 1994, those to be implemented in 2008, awards that ITD has received, and key indicators. Since 1990, the number of full-time positions for state agencies increased 35% while ITD’s only increased 4.2%. It was noted that during that same time period, ITD’s appropriation increased 247%, the number of driver licenses and registrations issued increased 43%, and the annual vehicle miles traveled increased 55%.

OCM Stratten highlighted several of the efficiency efforts. Through the re-engineering of current projects as part of the practical design initiative, \$50 million in savings were identified. The materials and testing team identified 25 efficiencies for immediate implementation. Those

changes will be added to the specification book and placed in contracts issued in January. The Division of Motor Vehicles has eight new on-line services saving the need for 7 new employees. In conclusion, he stated that the report will be presented to legislators at the upcoming legislative outreach meetings to be held in each District and then finalized for the 2008 legislative session.

Practical Design for Idaho. CE Hutchinson provided an overview on the Practical Design concept, whereby projects are reviewed to determine what changes could be made to reduce the project scope and cost without compromising the overall intent of the project or jeopardizing safety. The concept tailors project designs to their intended use and to expedite the process at the local level. As a result of practical design, the Districts identified over \$50 million in savings. Types of modifications were changing the pavement depth, design exceptions, rehabilitating only the travel lanes, changing seal coat limits, and rehabilitating rather than replacing. Each District Engineer developed a list of recommended projects to fund with those savings, as the intent was to retain the identified savings within that District. The savings are being recommended for advancing projects, new pavement preservation projects, adding passing lanes, and restoring priority projects to their initial concepts. CE Hutchinson added that plans are to expand the practical design concept to construction and maintenance.

Practical Design Project Changes to the FY08-12 Highway Capital Investment Program (HCIP). Dave Amick, Manager, Transportation Investments, reiterated that the District Engineers have identified a total of \$50.8 million in anticipated cost reductions to projects in the HCIP through practical design initiatives. He presented the list of projects that staff is requesting to fund with these savings.

Member McClure made a motion, seconded by Member Miller, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department to publish and

ITB07-68 accomplish a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal, state, local, and private capital investment funding; and

WHEREAS, the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) requires that a priority list of projects covering a four-year period be provided in a Statewide Transportation Improvement Program (STIP); and

WHEREAS, the Division of Highways District Engineers have proposed new

projects, advanced projects and increased project scopes in the FY08-12 Capital Investment Program; and

WHEREAS, the funding for the District Engineers' proposed changes has been made available through cost reductions on projects in the FY08-12 Highway Capital Investment Program as a result of the Department's implementation of phase 1 of a Practical Design initiative; and

WHEREAS, the Practical Design initiative has been presented to the Board during the November 14, 2007 Board meeting; and

WHEREAS, it is understood that continued development and construction of improvements are entirely dependent upon the availability of future federal and state capital investment funding in comparison to the scope and costs of needed improvements.

NOW THEREFORE BE IT RESOLVED, that the Board approves the proposed changes to the FY08-12 Highway Capital Investment Program, which are depicted in the table entitled, "Proposed Practical Design Related Changes to the FY08-12 Highway Capital Investment Program", as shown as Exhibit 348, which is made a part hereof with like effect; and

BE IT FURTHER RESOLVED, that staff is authorized to include the proposed projects in the FY08-11 STIP in accordance with the provisions of SAFETEA-LU.

Add I-84, Crestview Road Overpass and I-84, 1900 East Road Overpass, District 4, to FY09 State Board Unallocated Program. MTI Amick reported that both the I-84, Crestview Road Overpass and I-84, 1900 East Road Overpass in District 4 were struck by over-height vehicles in August and September, respectively. Damage occurred to the westbound lane of the Crestview Road Overpass, while both the eastbound and westbound bridges of the 1900 East Road Overpass were damaged. Cost estimates to repair the bridges are \$300,000 for each project. Because the design and construction engineering will be done with state forces, the District requests \$520,000 of Board Unallocated funds for the construction costs. MTI Amick said that staff anticipates reimbursing this account with funds from the insurance claims. He added that the insurance company has reimbursed ITD for damage to the I-90, 9th Street Bridge.

Member Blick made a motion, seconded by Member Combo, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department to publish and

ITB07-69 accomplish a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal and state highway funding; and

WHEREAS, the westbound bridge of the I-84, Crestview Road Overpass was struck by a truck carrying an over-height load at the beginning of August 2007, requiring traffic restrictions on I-84; and

WHEREAS, both the eastbound and westbound bridges comprising the I-84, 1900 East Road Overpass were struck by a truck carrying an over-height load on September 22, 2007, requiring traffic restrictions on I-84; and

WHEREAS, the District Design and Headquarters Bridge Sections are developing plans to repair these three bridges at an estimated cost of \$600,000 total; and

WHEREAS, \$520,000 of contract construction funds are required to restore the functionality of these overpasses; and

WHEREAS, District 4 has fully programmed all of its capital investment funds in FY08 and FY09; and

WHEREAS, \$2,000,000 is set aside annually for use by the Board for such unforeseen events in the State Board Unallocated Program; and

WHEREAS, \$800,000 of funds in the FY09 Board Unallocated Program are available; and

WHEREAS, the Department anticipates reimbursement in state FY09 by the insurance carriers of the motorists who caused the damage to these structures.

NOW THEREFORE BE IT RESOLVED, that the Board authorizes the use of FY09 State Board Unallocated funds in the amount of \$260,000 to repair the I-84, Crestview Road Overpass and \$260,000 to repair the I-84, 1900 East Road Overpass.

Motor Vehicle Administrator Alan Frew said staff is working with insurance companies to develop a brochure to mitigate the problem of over-height vehicles hitting overpasses.

Revisions to Board Policy B-09-08, Bicycle/Pedestrian Facilities. Transportation Planning

Administrator Matt Moore presented revisions to B-09-08, Bicycle/Pedestrian Facilities. The recommendation is to simplify the policy by stating that the Department will follow and use FHWA guidance for bicycle and pedestrian facilities. Director Lowe added that staff is still in the process of revising the corresponding administrative policy.

Member Combo made a motion, seconded by Member McClure, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Safe, Accountable, Flexible, Efficient Transportation Equity Act—A Legacy for Users

ITB07-70 (SAFETEA-LU) continues to address the importance of bicycling and walking facilities in transportation projects; and

WHEREAS, the Idaho Transportation Department recognizes the importance of complying with federal requirements; and

WHEREAS, the Department recognizes the importance of addressing various modes of transportation where reasonable and feasible; and

WHEREAS, the Department's Bicycle and Pedestrian Facilities Board Policy B-09-08 was last updated in 1993.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board does approve the new policy update.

How ITD can Use Incentives to Encourage Good Local Land-use Planning and Zoning. Julie Pipal, Budget, Policy, and Intergovernmental Relations Manager (BPIRM), said staff researched the feasibility of using incentives for local entities to help with land-use planning issues, such as requiring set-backs or acquiring right-of-way. Land-use and zoning decisions, along with approval of developments, can have a significant impact on how Idaho grows and how the state transportation system performs.

Currently, some of ITD's actions to encourage good land use decisions are partnerships, corridor planning, access management, and involvement and comment on potential development approvals that may impact the state system. BPIRM Pipal reported that additional methods could be implemented. One option would be to award local federal-aid projects tied to land-use policies where local governments protect state highway system access, adopt an ITD corridor plan, and/or build local backage roads. In high growth areas, ITD could be a partner, both financially and through participation with local agency updates to zoning and comprehensive plans so that the plans are appropriate for the growth that is taking place. Another method would be to tie the placement of state system expansion projects in the STIP to areas where local land-use planning

and zoning helps to protect the functionality of the state system, transit system expansion that may reduce demand on the roadway system is planned, and/or regional planning that helps coordinate land-use planning among the various local governments is occurring.

Report on 5-State Coalition Activities. BPIRM Pipal said she is the contract administrator for the John DeVierno contract, the 5-State Coalition's legal counsel in Washington, D.C. ITD's contact person is Tim Greeley, the Transportation Legislation and Policy Specialist, within the Budget, Policy, and Intergovernmental Relations Office. Additionally, the Director, Division Administrators, and other ITD personnel interact with Mr. DeVierno.

BPIRM Pipal highlighted recent activities and successes of the 5-State Coalition, comprised of Idaho, Montana, North Dakota, South Dakota, and Wyoming. The Coalition promoted the concept that the highway formula for the latest federal transportation reauthorization had to provide low population density states with a share of highway apportionments that was higher than the previous act. Efforts led to the sliding scale match being applied to the Bridge, Corridor/Border, TCSP and Recreational Trails programs. The sliding scale match was also applied to the transit 5310 and 5311 capital programs and to the 5311 program operating expenses. This freed up millions of match dollars for Idaho. The Coalition was the initiator of a successful effort to allow a significant percentage of project earmark funds to be flexible between projects and years. Mr. DeVierno also drafted and created legal arguments for modification of the National Highway and Traffic Safety Administration's proposed implementation of Section 410, impaired driving grant program that facilitated ITD's ability to qualify for millions in funding.

In conclusion, BPIRM Pipal reported that, in an effort to keep the Board informed of the activities of the 5-State Coalition and Mr. DeVierno's efforts, Director Lowe will be providing periodic updates as part of her report to the Board.

Chairman Manning thanked BPIRM Pipal for the reports.

GARVEE Financing Authorization. DAG Vogt requested authorization to proceed with distribution of a Preliminary Official Statement, bonding pricing, Final Official Statement, and execution of other bonding documents for the GARVEE Program. This authorization is required under Idaho Code and the Memorandum of Understanding between the Board and the Idaho Housing and Financing Association.

Member McClure made a motion, seconded by Member Coleman, to approve the following resolution:

WHEREAS, the Idaho Transportation Department (ITD) strives to make available to the citizens of Idaho the finest transportation system via new construction projects and management of statewide assets and has authorized the use of a Grant

Anticipation Revenue Vehicle GARVEE bonded program; and

WHEREAS, the use of future federal funds today will save the state money in the future; and

WHEREAS, Title 40, Chapter 3 and Title 67, Chapter 62 of the Idaho Code, as amended (the "Act"), authorizes the Idaho Housing and Finance Association (IHFA), to issue Bonds for the purpose of funding a highway capital improvement program (the "GARVEE Program") for financing all aspects of the construction of highway projects eligible for federal reimbursement as recommended and approved by the Idaho Transportation Board (ITB); and

WHEREAS, the ITD, the ITB, and the IHFA have entered into a Master Financing Agreement with respect to the bonds; and

WHEREAS, issuing such bonds promotes the purposes of the GARVEE program, is in the public interest, serves a public purpose, increases commerce, promotes the health, welfare and safety of the people of the State of Idaho, and constitutes a proper exercise of the authority particularly set forth in the Act; and

WHEREAS, the legislation has passed and the Governor has signed House Bill 336 GARVEE Bonding Authorization and IHFA intends to issue the bonds, Federal Highway Trust Fund Series, in two series during state fiscal year 2008 in an amount not to exceed \$250,000,000, in order to provide funds to finance the GARVEE Program and this resolution shall serve as evidence of the Board's intention to proceed with issue of bonds up to the amount stated; and

WHEREAS, there will be prepared a Preliminary Official Statement relating to each series of the bonds and the distribution thereof to potential bond purchasers and the distribution to all actual purchasers of the bonds of a final Official Statement relating to the bonds to be authorized; and

WHEREAS, other bonding documents will also be needed to be executed setting forth the applicable series of bonds.

NOW THEREFORE BE IT RESOLVED, by the Board as follows:

1. Pursuant to the Act, the bonds in two series in aggregate principal amount not to exceed \$250,000,000 are hereby authorized to be issued pursuant thereto; provided that: (a) the ITD and the ITB have entered into the Master Financial Agreement and a supplement thereto relating to the bonds; (b) the Idaho

legislature has approved a request of the ITB for bonding authority under Section 40-315(4) Idaho Code, as amended and (c) the ITD has provided to the IHFA all of the certificates, documents and information required under Idaho Code Section 67-6210(k).

2. The Chairman and/or Director is hereby authorized and directed, for and in the name and on behalf of the ITB to execute the following bonding documents and any other documents required for the closing of the bonds setting forth the terms of the applicable series of bonds together with such additions or changes in the form thereof as may deem necessary or advisable, such approval to be conclusively evidenced by the execution of said bonding documents as so added to or changed.

Final Official Statement

Director

Supplemental to Master Financial
Agreement Chairman of the Board
and Director

Master Trust
Indenture
Chairman of the Board

Series Trust
Indenture
Chairman of the Board

Vice Chairman Sweeney said he will not support the motion, which will be consistent with his voting record on the GARVEE Program.

Member Blick made a substitute motion to hold (postpone) the GARVEE financing authorization item until Old/New Business. Member Miller seconded the motion and it passed unopposed. (See later minute entry.)

Executive Session on Legal Issues, Section 67-2345(1),(d), and (f), Idaho Code. Vice Chairman Sweeney made a motion to meet in executive session at 10:50 AM to discuss legal issues. Member Coleman seconded the motion and it passed 6-0 by individual roll call vote.

A general discussion was held on pending or probable litigation related to the US-95, Mica Bay project and matters that are exempt from disclosure related to contract negotiations.

The Board came out of executive session at 11:40 AM. No decisions were made.

Associated Taxpayers of Idaho Annual Conference. The Board attended the Associated Taxpayers of Idaho annual conference luncheon in downtown Boise. Governor Otter was the keynote speaker. Although Governor Otter acknowledged the need for additional revenue for the state's transportation system, he would like to see more efficiency measures from the Transportation Department. He also believes the current revenue should be dedicated for transportation purposes and supports removing Idaho State Police from the distribution formula of the Highway Distribution Account. Governor Otter also noted that Idaho has a \$16 billion transportation investment that needs to be taken care of.

The Board returned to the Idaho Transportation Department.

New Business. In response to Vice Chairman Sweeney's request earlier in the day, Highway Operations and Safety Engineer Brent Jennings provided an update on the Safe Routes to School Program. State/local agreements have been signed for all current projects and staff anticipates having all of the projects out to bid by early spring 2008. The administrative costs, including public notices for projects and public relations materials, were around \$50,000.

Member Miller made a motion to revisit B-09-08, Bicycle/Pedestrian Facilities. Vice Chairman Sweeney seconded the motion and it passed unanimously.

Member Miller made a motion to revise the policy to reflect that ITD will follow and use FHWA requirements instead of FHWA guidance. Member Blick seconded the motion and it passed unanimously.

Regarding authorization to proceed with GARVEE bonds, Member Blick expressed concern with the Department's insufficient revenue. He is reluctant to support the GARVEE Program without additional revenue to take care of the current transportation system. He believes it is critical for the legislature and Governor to provide more funding for Idaho's transportation system. GARVEE bonds only provide funding for a few, select corridors.

Member Miller made a motion to postpone the GARVEE financing authorization request until a subsequent meeting. Member Blick seconded the motion.

In response to Member McClure's question on the timeframe for authorizing additional bonds, DAG Vogt replied that this issue can wait. The bonds have to be sold by June 30, 2008.

Member Combo expressed concern with the pending sale of Washington Group International and impacts that may have on the Connecting Idaho Partners contract.

The motion passed unopposed.

Member Blick reported that District 4 Engineer Devin Rigby erected signs at the SH-50, Hansen Bridge; US-93, Perrine Bridge; and I-84, King Hill Bridge stating that it is illegal to attach anything to the structure and that the walkways are not to be obstructed. The District worked with law enforcement on the language. Member Blick stated that this is to prevent bungee jumping from the bridges, as that activity has the potential to damage the structure. He said the signs should not impact BASE (bridge, antennae, span, and earth) jumping, and if there are discussions to ban BASE jumping, he would like to involve the City of Twin Falls. The City has been supportive of BASE jumping, as the recreational activity has economic benefits.

Member Blick believes the Department should provide assistance to the Twin Falls and Filer Highway Districts to improve the local roads that are impacted by the US-93, Twin Falls Alternate Route project. He proposed directing staff to develop a rehabilitation plan for the Pole Line Road west of Grandview Avenue and 2400 East Road near Twin Falls, to fund the plan from the State Highway Account construction fund, and to implement the rehabilitation plan.

In response to Vice Chairman Sweeney's question on whether this would set a precedent, Director Lowe responded that ITD has funded repairs to the local system in response to impacts from projects on the state system. Providing assistance to these two entities would not be precedent-setting.

Without objection, the Board directed staff to develop a plan to improve Pole Line Road and 2400 East Road and to present the plan to the Board before it is implemented.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 2:45 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
December 12, 2007
Boise, Idaho

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

December 12, 2007

The Idaho Transportation Board met at 8:30 AM, on Wednesday, December 12, 2007, at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

Darrell V Manning, Chairman
Bruce Sweeney, Vice Chairman – District 2
Jim Coleman, Member – District 1
Monte C. McClure, Member – District 3
Gary Blick, Member – District 4
Neil Miller, Member – District 5
John X. Combo, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Board Secretary

November 14, 2007 Board Minutes. Member Miller made a motion to approve the minutes of the regular Board meeting held on November 14, 2007 as submitted. Member Coleman seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:

January 16-17, 2008 – Boise
February 20-21, 2008 – Boise
March 19-20, 2008 – Boise

Consent Calendar. Member McClure made a motion, seconded by Vice Chairman Sweeney, and passed unopposed, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the revisions

ITB07-71 to Board Policy B-27-05, Classification and Maintenance of State Owned and/or Operated Airports; and has received and reviewed the contract award information; the outdoor advertising sign status report; the program and district obligation graphs and tables, monthly status reports; the quarterly report on legal actions and contract claims; and the October 2007 financial statement analysis.

1) Revisions to Board Policy B-27-05, Classification and Maintenance of State Owned and/or Operated Airports. This policy was last updated in 1996. Minor changes were made to reflect the definitions used in the recent Idaho Airstrip Network program. These updates provide essentially

no change to the Division of Aeronautics' existing operations.

2) Contract Award Information. Key #10010 and #10008 – I-15, Sage Junction to Dubois, Southbound Lane, and Dubois Interchange to Spencer Interchange, Northbound Lane, District 6. Low bidder: H-K Contractors, Inc. - \$5,979,254.

Key #8694 – South State Street, South City Limit to Junction US-91, Preston, District 5. Low bidder: Le Grand Johnson Construction Company - \$1,883,597.

Key #9864 and #9867 – US-20, Cat Creek Summit to Milepost 129 and Milepost 129 to Camas County Line, District 4. Low bidder: Central Paving Company, Inc. – \$1,609,263.

Key #11001 – I-84, Garrity Interchange to Meridian Interchange, District 3. Low bidder: Central Paving Company, Inc. - \$1,147,754.

Key #8080 – Homedale Road, Canyon County, District 3. Low bidder: Idaho Sand & Gravel Company, Inc. – \$1,247,247.

Key #9688A – I-90/US-95, State, Dynamic Message Signs, Districts 1 and 2. Low bidder: Aztech Electric Inc. - \$762,274.

Key #9443 – Community Greenbelt, Firth, District 5. Low bidder: H-K Contractors, Inc. - \$230,390.

Key #9628 – I-15, Cherry Creek Northbound Rest Area Rehabilitation, District 5. Low bidder: Braun-Jensen, Inc. - \$1,639,000.

Key #9158 – US-95, Golden Gate Canal Bridge to D Avenue, Wilder, District 3 . Low bidder: King Excavation - \$292,996.

The low bid on key #8719 – SH-33, Sugar City/Madison County Bike Path, District 6, was more than ten percent over the engineer's estimate, requiring justification. The items with the majority of difference between the engineer's estimate and low bid were in Conc Cl 40-B, Fence Ty 3 B, Survey, SP Irrigation Box, and SP Landscape Planting. The District believes that the project can be re-tooled by eliminating certain items and reducing other items through the Practical Design initiative. Staff rejected the low bid.

3) Outdoor Advertising Sign Status Report. At the close of federal FY07, 61 illegal and 168 non-conforming signs remained throughout the state. Illegal signs do not comply with state and federal law and are to be removed. Non-conforming signs are those that at one time complied

with law but due to a change in conditions or rules, have lost their conforming status. Non-conforming signs are allowed to remain in place but cannot be improved.

4) Program and District Obligation Graphs and Tables, Monthly Status Reports. As of November 30, \$38.7 million had been obligated, or 10% of the planned amount. The total amount obligated for construction projects was \$25.8 million. Obligation information by program and district and project status reports for 2008 projects were also presented.

5) Quarterly Report on Legal Actions and Contract Claims. A summary of legal cases resolved by the Legal Section, a status of current legal cases, and a report on contract claims was presented.

6) October Financial Statement Analysis. Total federal aid for October was \$53.5 million ahead of projections. The Highway Distribution Account revenue was revised downward by \$10.4 million to \$183.1 million. October revenue of \$17.8 million was \$4,000 short of the forecast. Expenditures for personnel were less than budgeted. Operating and Capital Equipment expenditures both reflected a 7.9% positive variance. In contract construction, the federal and state programs were ahead of projections by 66% and 14%, respectively.

Aviation fuel tax revenue for October was 20%, or \$119,000, more than projections. Miscellaneous revenue was within 1% of the forecast. Overall expenditures were less than budgeted. In the trustee and benefit portion for local airport grants, \$207,000 was paid out in the month. The annual appropriation is \$1.6 million.

In the GARVEE Capital Projects Fund, expenditures in the amount of \$31.4 million were made on authorized projects. Utilization of bond proceeds was \$12.9 million less than the cash flow projected through the end of the month. The monthly payment from the GARVEE Debt Service Fund in the amount of \$588,450 was made.

Board Items. Chairman Manning attended all six District legislative outreach meetings. He believes they were well received and resulted in good dialogue. He commended Office of Communications Manager Jeff Stratten for his efforts on the efficiency report and other staff members involved in coordinating those meetings.

Chairman Manning attended the access management presentation in District 3. He thanked Assistant Chief Engineer – Operations Greg Laragan for coordinating those important meetings. He participated on a panel discussion on the state's transportation needs and funding issues with Member Coleman at the Intermountain Forest Association's meeting. Yesterday, he and Member McClure attended an Idaho Association of Commerce and Industry reception.

Chairman Manning said Governor Otter would like the Department to present the efficiency

report to various groups. He also mentioned that Clete Edmunson is the Transportation Department's newly-appointed liaison with the Governor's Office.

Member Combo recognized FHWA Idaho Division Assistant Administrator Renee Sigel's recent promotion. The Board wished her well in her new assignment in Pennsylvania.

Director's Report. Director Lowe also acknowledged Mr. Edmunson's new role with the Governor's Office and welcomed him to the meeting. She mentioned that Jane McClellan is ITD's new budget analyst in the Division of Financial Management.

Director Lowe introduced Gordon Wilmoth, who was recently promoted to the Controller position.

Director Lowe mentioned that earlier this summer, ITD's underwater bridge inspection team discovered deterioration on the columns of a pier on the SH-55, Cascade Bridge. The bridge currently has load restrictions. Staff is developing a project to repair the structure.

The Division of Public Transportation has distributed a survey throughout Idaho to assist it in developing a new direction. Director Lowe said this is part of the strategic planning effort.

Director Lowe said the kiosk in the Headquarters' lobby is being extended. It will house the switchboard operator, who will also be the contact for visitors entering the building. This is part of the effort to improve customer service.

Director Lowe reported that staff researched the issue of erecting signs at GARVEE construction sites stating that the project is being funded with GARVEE bonds. These signs would be permissible per current policies and the Manual on Uniform Traffic Control Devices. FHWA indicated that such signs can be utilized on projects in compliance with federal-aid funding requirements. She stated that the wording for the signs has not been determined.

She mentioned the recent dedication ceremony for the I-84, Locust Grove Road overpass. The ceremony was well attended and she expressed appreciation to Member McClure for participating in that event.

Director Lowe was pleased to announce that the Canyon Creek Bridge on SH-33 in District 6 received a National Steel Bridge Competition award.

Director Lowe also acknowledged Ms. Sigel's promotion to the FHWA Pennsylvania Division Administrator position.

Director Lowe was pleased to report that nine of Idaho's FY07 Scenic Byway grants in the amount of \$1,443,234 have been approved by FHWA. The Mesa Falls retaining wall was the only Idaho project not funded.

Delegation – SunCor. SunCor President and Chief Executive Officer (CEO) Steve Betts provided background information on SunCor, which mainly constructs commercial homes throughout the western United States. The company is working on a development along SH-55 north of Boise. He believes development should help pay for growth-related infrastructure needs, including transportation, and provided examples of assistance SunCor has provided in other states.

CEO Betts is interested in a public/private partnership with ITD on its development in the Treasure Valley. He has held discussions with Department staff on a proposal and also with area legislators about options for funding transportation, including local option taxes.

Vice Chairman Sweeney questioned the timeline for the development along SH-55. CEO Betts responded that factors have to be considered, such as traffic. Also, the sale of homes in the area has slowed. He anticipates constructing approximately 220 homes in the first phase, which would not require the installation of a traffic signal on SH-55. The second phase with over 400 homes would require transportation improvements. He added that the plans also include commercial development and that the development would occur on both the east and west sides of the state highway.

Member Blick commended CEO Betts for his proactive approach. He appreciates SunCor's willingness to address transportation issues and work with ITD as the development is being planned.

Chairman Manning thanked CEO Betts for his comments.

Annual Report on the Local Rural Highway Investment Program. Local Highway Technical Assistance Council (LHTAC) Administrator Lance Holmstrom thanked the Board for the Local Rural Highway Investment Program and commented that it has been very popular. Asset Manager Jim Zier reported on the 2007 program. Three basic types of projects are funded in this program: construction, signs, and transportation plans. There were 84 applications for 2007 funding totaling over \$27 million. There were 31 projects funded: 16 construction projects, 6 transportation plans, 8 sign projects and 1 emergency project. Mr. Zier added that three more projects can be funded with money remaining in the emergency fund. He summarized a number of projects that were completed and projects planned in 2008. Although there are many more needs than funding available, Mr. Zier said the program is making a difference and he expressed appreciation for the Board's support of the program.

Chairman Manning thanked Mr. Zier for the report and for his efforts on this program.

Commercial Vehicle Services Proposed Rule Changes, IDAPA 39.03.22, Governing Overlegal Permits for Extra Length Vehicle Combinations. Vehicle Size and Weight Specialist Regina Phipps requested a rule change to ensure that vehicles manufactured to operate with single tires on multiple axle configurations are allowed to continue to do so. The change clarifies that permitted longer combination vehicles with multiple axle configurations, such as tandem and tri axles, may operate with single tires on those multiple axles as long as the 600 pound per inch width of tire is not exceeded.

Member McClure made a motion, seconded by Vice Chairman Sweeney, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board has the authority to approve requested changes to
ITB07-72 administrative rules; and

WHEREAS, the Board finds the requested changes to the administrative rule provides clarification to the industry and enforcement personnel on operational requirements for permitted longer combination vehicles.

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommended changes to administrative rule IDAPA 39.03.22 – Extra Length Vehicle Combinations, which clarifies that permitted longer combination vehicles with multiple axles may operate with single tires on those multiple axles as long as the 600 pound per inch width of tire is not exceeded; and

BE IT FURTHER RESOLVED, that the Board directs staff to promulgate temporary rule making effective December 1, 2007 and proceed with regular rule making.

Presentation on Final ITD Comprehensive Study of Fee Structures for Vehicles Exceeding 16,000 Pounds. Todd Pickton, Director of BBC Research and Consulting, presented the comprehensive study of Idaho's fee structures for vehicles exceeding 16,000 pounds. The objective was to compare Idaho to other states and to survey Idaho-based truck owners/operators. Idaho's registration fees and taxes for an 80,000 pound gross vehicle weight intrastate vehicle traveling 50,000 miles per year, including state fuel taxes, is \$4,581. The average of Idaho and its surrounding states is \$5,051.

Mr. Pickton said Idaho is not overly burdensome in comparison of registration procedures and requirements in western states. Some states have emissions standards, a weight-mile tax, motor carrier permits, or additional forms and registration prerequisites. Factors contributing to

registration convenience in Idaho are online services, various registration payment methods, fleet registration programs, international registration plan/international fuel tax administration coordination, and unified carrier registration participation.

In surveying Idaho truckers on the state's registration fees and process, the majority agreed that the current registration process is fairly easy, ITD staff is extremely helpful, and online registration is convenient and efficient. A few respondents commented on the need for more physical locations to register vehicles, the significance of the cost and time of registration, and a desire for accountability in the use of highway funds.

Most states are seeking to increase funding to address unmet transportation needs. There are clear, long-term trends shaping state approaches to funding: partnerships and contributions from private entities, proceeds from bonds and tolling, and innovative mechanisms to replace reliance on the motor fuel taxes. Mr. Pickton summarized the findings and recommendations of the study: opportunities to increase revenues collected from trucks may be limited by competitive factors; Idaho could raise interstate vehicle fees to better match intrastate fees on a per-ton mile basis; Idaho truckers think registration fees are fair and procedures are straightforward; and opportunities for Idaho to further streamline registration or make the process more fair are to improve the website, add more physical locations to register vehicles, provide a longer registration period, and improve enforcement.

Member Blick commended the Division of Motor Vehicles, particularly the One Stop Shop, for the customer service improvements it has made over the years. He believes the staff is very helpful and responsive.

Vice Chairman Sweeny asked what measures could be taken to improve enforcement. Motor Vehicles Administrator (MVA) Alan Frew acknowledged that enforcement is difficult. He elaborated on the Internal Revenue Service's efforts to enforce the dyed fuel regulations.

Member Miller expressed caution on adding more physical locations to register vehicles. At a recent local meeting, it was evident that a number of motorists do not understand the registration process. Education may be a better alternative. MVA Frew said consideration is being given to installing registration kiosks at Port of Entry (POE) facilities. Staff would be available on site to provide assistance with the registration process. Additionally, a staff position is being added to the Lewiston POE to provide registration assistance.

Chairman Manning thanked Mr. Pickton and staff for their efforts on the study and related issues.

Annual Report from the Dealer Advisory Board (DAB). DAB Chairman Grant Petersen reported on the activities of the DAB during FY07. It concurred with ITD's recommendations for

revocation and denial of two dealer and salesman licenses. It developed two legislative proposals for the 2008 session: changing the definition of a “principal place of business” and requiring the title and registration of all pickup mounted campers that are at least six feet in overall length. The DAB submitted a letter to the Transportation Board supporting the need to increase funding for road, highway, and bridge improvements. In conclusion, DAB Chairman Petersen said the group had no objections to the Department’s proposed legislation related to collecting formal identification for title and registration purposes, incorporating federal motor vehicle safety standards for vehicle registration and titles, and increasing license plate fees.

Chairman Manning thanked DAB Chairman Petersen for the informative report and for his efforts on these important issues. He also asked Chairman Petersen to relay the Transportation Board’s appreciation to all DAB members for their service to the state.

Annual vs. Biennial Statewide Transportation Improvement Program (STIP) Update. Intermodal Planning Manager (IPM) Pat Raino outlined the federal STIP requirements. She summarized the advantages and disadvantages of updating the STIP annually versus biennially. In reviewing information on other states, no conclusive evidence was found for either process. It was noted that states with biennial legislative sessions generally have a biennial STIP process. It is common for states to submit more STIP amendments under the biennial process.

IPM Raino said the information was presented to the Intermodal Working Group, comprised of ITD and metropolitan planning organizations. Although there are some advantages to a biennial update, there was no compelling reason to change, particularly because Idaho has an annual legislative process. She noted that the current federal highway act expires in 2009. Historically, new bills are not enacted in a timely manner. Because the transition period between acts can be difficult due to the uncertainty of funding, IPM Raino said the Board may want to consider a biennial update during that period. IPM Raino added that there is no significant cost savings that would result from changing to a biennial process, particularly because ITD will be distributing the STIP via CD.

Member Miller expressed support to consider a biennial update during the transition period between federal transportation acts.

Chairman Manning thanked IPM for the report.

Director’s Memo #34 – Strategic Planning. Transportation Planning Administrator (TPA) Matthew Moore summarized the Strategic Planning Team’s effort earlier this year to develop a new mission, vision, and strategic plan. The mission is: “Our Mission. Your Mobility.” The vision statement, which is a description of what ITD will do and where its work efforts will be focused, is: “We will be an industry leader in providing transportation systems and services that

are safe, efficient, promote economic vitality, and use innovative technology. We will achieve quality through: investing in our people, expanding and enhancing partnerships, leading through agency performance, and improving our customer service culture.” Additionally, four teams were established to address the focus areas. The respective team leaders provided a brief outline of their charge and introduced the team members.

Member McClure made a motion, seconded by Member Miller, to approve the following resolution:

RES. NO. WHEREAS, strategic planning is critical to Idaho Transportation Department focus and achievement;
ITB07-73 and

WHEREAS, a strategic planning team (SP Team) was formed by Director Lowe; and

WHEREAS, the Department’s current mission and vision were developed in 1994;
and

WHEREAS, Idaho and the Department have been part of significant changes taking place within the state; and

WHEREAS, the Department’s long-range transportation plan approved by the Idaho Transportation Board in 2004 calls for a planning process that integrates planning decisions across the many levels within ITD and with its numerous transportation partners; and

WHEREAS, the SP Team reviewed the existing mission and vision; and

WHEREAS, the SP Team determined a new mission and vision should be developed that reflects our renewed commitment to efficiency and customer service; and

WHEREAS, the SP Team also identified four focus areas for the future: Investing in Our People, Expanding and Enhancing Partnerships, Leading through Agency Performance, and Improving our Customer Service Culture; and

WHEREAS, the SP Team has established four staff teams to develop action plans for these focus areas.

NOW THEREFORE BE IT RESOLVED, that the Board adopts a new mission and vision; and

BE IT FURTHER RESOLVED, that the Department proceeds to activate the focus area teams and report back to the Board with draft focus area action plans.

In response to Member Combo's question on the involvement of other agencies housed in ITD, such as the Deputy Attorney General's Office, TPA Moore responded that the teams may establish advisory groups to provide assistance. He added that DAG Vogt is aware of the strategic planning efforts. Vice Chairman Sweeney asked about the environmental resource agencies' involvement, as ITD is paying for positions in some of those agencies. TPA Moore said those agencies have not been involved to date.

The motion passed unopposed.

Customer Service Improvements to the STIP. Sonna Lynn Fernandez, Senior Transportation Planner, said the Department, as part of its customer service initiative, has been diligently working to enhance the STIP to make it more user friendly. She demonstrated the changes that have been incorporated into the STIP document through the interactive CD. The CD includes contact information, with direct access to e-mail addresses and internet links to documents and websites. Major projects can be found by route, county, or district. Also, a section of the document is dedicated to the financial issues facing the state's transportation infrastructure. Staff will continue to refine and improve the STIP and the interactive capabilities of the CD. In conclusion, she stated that the distribution of the STIP via CD will save money. The cost to publish and mail a hard copy of the document is approximately \$12 while a CD can be burned and distributed for less than \$1.

Chairman Manning thanked Ms. Fernandez for the informative presentation and for efforts to improve customer service and efficiency.

Executive Session on Personnel and Legal Issues, Section 67-2345(1),(a), (b), (d), and (f), Idaho Code. Vice Chairman Sweeney made a motion to meet in executive session at 11:35 AM to discuss personnel and legal issues. Member Coleman seconded the motion and it passed 6-0 by individual roll call vote.

A general discussion was held on pending or probable litigation related to the US-95, Mica Bay project; the US-95, Sandpoint North and South project; access control; and matters that are exempt from disclosure related to contract negotiations.

A general discussion was held on personnel issues related to the filling of a public office, a grievance, and the evaluation of public officers.

The Board came out of executive session at 1:45 PM. No decisions were made.

Performance Appraisal System. Human Resource Manager (HRM) Mary Harker summarized the performance appraisal system. Idaho Code requires an evaluation after the six-month probation period and then annually upon completion of the probation period. Idaho Code also states that performance is to be tied to pay increases. ITD's performance system components include weighted performance factors, performance descriptors, a performance plan, and a score form. Performance is managed through a newly-developed performance plan, a coaching and feedback cycle, the performance evaluation, a second level review, and an employee evaluation session.

Chairman Manning thanked HRM Harker for the presentation.

Tribal Fuel Tax Update. David Hensley, Counsel to the Governor, reported that all of the Tribal fuel tax agreements have been finalized and signed. Earlier, he reported that negotiations had been completed with the Coeur d'Alene and Sho-Ban Tribes. He stated that similar agreements have now been finalized with the Nez Perce and Kootenai Tribes. The agreements require the Tribes to assess a 25-cent per gallon fuel tax. If the state increases its fuel tax, the Tribes must increase their tax the same amount. The money is to be spent on transportation projects in the area and may be in partnership with other governmental entities. He noted that the Kootenai Tribe does not have a Tribal-owned retail outlet at this time, but it wanted to negotiate an agreement now in case an agreement becomes necessary in the future. Mr. Hensley said the Kootenai Tribe's agreement is unique in that the state can impose its tax on 10% of the fuel and the Tribe would assess a tax on the remainder of the fuel sold. The state would tax 85% of the diesel fuel and the Tribe would tax the other 15%. The Kootenai Tribe would also provide a portion of its tax revenue to Bonner County Road and Bridge Department.

In conclusion, Mr. Hensley stated that the agreements will be presented to the Legislature. The Governor's Office is hopeful the Legislature will express support for these agreements, such as through a concurrent resolution. He added that Governor Otter was pleased with the successful negotiations with all four tribes.

Chairman Manning thanked Mr. Hensley for the update on this important issue.

Interstate Oasis Signing. Highway Operations and Safety Engineer Brent Jennings summarized the federal Interstate Oasis program, including the signing requirements. FHWA does not allow the name or logo of the Interstate Oasis business on the separate advance sign because such elements would lead to significant increases in the potential for information overload, particularly at interchanges with several designated Interstate Oasis facilities.

Member Miller expressed support for the Oasis program because of its nationwide uniformity. Travelers will become aware of this program and know what to expect at an Oasis.

Member Miller made a motion, seconded by Member Coleman, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board recognizes the need for flexibility and funding partnerships

ITB07-74 for projects to provide rest facilities on the Interstate highway system within Idaho; and

WHEREAS, the Board recognizes that the Interstate Oasis program has been established by the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) through the rule making process; and

WHEREAS, the Board also recognizes the final rule regarding the Oasis program was published on October 18, 2006.

NOW THEREFORE BE IT RESOLVED, that the Board instructs the Idaho Transportation Department to create and implement an Interstate Oasis Program in accordance with the provisions set forth by SAFETEA-LU.

Although the federal Oasis program is for facilities along the Interstate, Member McClure expressed support to consider the Oasis program on non-interstate routes, as motorists will become familiar with Oasis facilities and expect them throughout the state. Member Blick expressed support for partnerships and encouraged staff to continue seeking partnerships.

The motion passed unopposed.

Professional Services Agreements and Term Agreement Work Task Report. The Consultant Administration Unit processed \$453,500 in new professional service agreements and work tasks from October 31 through November 20, according to Chief Engineer Steve Hutchinson. The agreements were issued for various reasons, such as the need for special expertise and resources not available in-house. Five supplemental agreements to existing agreements were processed in the amount of \$2,110,211 during this time period.

Update to the 129,000 Pound Pilot Project Report. In 2003, the Legislature created a pilot project to allow truck and trailer combinations up to 129,000 pounds on selected routes, according to Budget, Policy, and Intergovernmental Relations Manager (BPIRM) Julie Pipal. This was an effort to provide a more efficient means of freight transport. One of the conditions of the pilot project was that ITD is to track the impact of these heavier loads on highway surfaces and bridge structures and to provide a report to the Legislature every three years for the duration of the 10-year pilot project.

BPIRM Pipal said the initial 2007 report accidentally omitted pavement data. Although ITD's engineers analyzed the data and determined that it neither adds to nor detracts from the report, staff felt that this omission was significant enough to inform the Governor's Office, the Legislature, and other interested parties of the error and re-issue the report. At this time, there is insufficient data to reach definitive conclusions regarding the impact of the heavier vehicle combinations on the state's roads and bridges. The crash trend will also need to be examined over a longer period of time to determine if there has been any safety impact.

Implementation of Budget Holdbacks, FY08 and FY09. As a result of current economic conditions, the August 2007 forecast was revised down last month, according to BPIRM Pipal. Staff has identified several areas to institute holdbacks in FY08, as well as potential revisions to the FY09 Board-approved budget request. Some of the options include reverting vacancy savings and fuel savings to the cash balance, reducing equipment purchases, and reducing or eliminating some of the planned facility improvements.

Vice Chairman Sweeney made a motion, seconded by Member Miller, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Department operates a balanced budget; and
ITB07-75

WHEREAS, the basis for this balanced budget is the revenue forecast that is completed every August and adjusted quarterly to ensure alignment with current economic conditions; and

WHEREAS, the August 2007 forecast was revised in November 2007 to reflect changing economic conditions such as the price of oil, the weak dollar, and the sluggish housing market and other economic conditions; and

WHEREAS, the revised revenue forecast for FY08 and FY09 is projected to be down, resulting in a reduction to the Department from the Highway Distribution Account of \$10 million per year for a total of approximately \$20 million over these two fiscal years.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board hereby authorizes the Director to make the appropriate holdbacks in the FY08 budget and the FY09 budget request to ensure a balanced budget.

Member Blick expressed concern with the potential elimination of the construction of the new District 4 administration building.

The motion passed 5-1 with Member Blick dissenting.

Old/New Business. Member Coleman made a motion, seconded by Member McClure, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the staff of the Idaho Transportation Department has received an offer to settle the

ITB07-76 purchase of necessary right of way from the Burlington Northern Santa Fe Railroad for \$6,372,000; and

WHEREAS, this total settlement in the amount of \$6,372,000 is just compensation for the property taken for right-of-way acquisition in the US-95, Sandpoint North and South project in Bonner County.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board hereby approves a settlement in the amount of \$6,372,000 as just compensation for acquisition of the real property taken from the Burlington Northern Santa Fe Railroad on the US-95, Sandpoint North and South project.

Member McClure made a motion, seconded by Member Coleman, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Department (ITD) strives to make available
ITB07-77 to the citizens of Idaho the finest transportation system via new construction projects and management of statewide assets and has authorized the use of a Grant Anticipation Revenue Vehicle GARVEE bonded program; and

WHEREAS, the use of future federal funds today will save the state money in the future; and

WHEREAS, Title 40, Chapter 3 and Title 67, Chapter 62 of the Idaho Code, as amended (the “Act”), authorizes the Idaho Housing and Finance Association (IHFA), to issue bonds for the purpose of funding a highway capital improvement program (the “GARVEE Program”) for financing all aspects of the construction of highway projects eligible for federal reimbursement as recommended and approved by the Idaho Transportation Board (ITB); and

WHEREAS, the ITD, the ITB, and the IHFA have entered into a Master Financing Agreement with respect to the bonds; and

WHEREAS, issuing such bonds promotes the purposes of the GARVEE Program, is in the public interest, serves a public purpose, increases commerce, promotes the

health, welfare and safety of the people of the State of Idaho, and constitutes a proper exercise of the authority particularly set forth in the Act; and

WHEREAS, the legislation has passed and the Governor has signed House Bill 336 GARVEE Bonding Authorization and IHFA intends to issue the bonds, Federal Highway Trust Fund Series, in two series during state fiscal year 2008 in an amount not to exceed \$250,000,000, in order to provide funds to finance the GARVEE Program and this resolution shall serve as evidence of the Board's intention to proceed with issue of bonds up to the amount stated; and

WHEREAS, there will be prepared a Preliminary Official Statement relating to each series of the bonds and the distribution thereof to potential bond purchasers and the distribution to all actual purchasers of the bonds of a final Official Statement relating to the bonds to be authorized; and

WHEREAS, other bonding documents will also be needed to be executed setting forth the applicable series of bonds.

NOW THEREFORE BE IT RESOLVED, by the Board as follows:

1. Pursuant to the Act, the bonds in two series in aggregate principal amount not to exceed \$250,000,000 are hereby authorized to be issued pursuant thereto; provided that: (a) the ITD and the ITB have entered into the Master Financial Agreement and a supplement thereto relating to the bonds; (b) the Idaho legislature has approved a request of the ITB for bonding authority under Section 40-315(4) Idaho Code, as amended and (c) the ITD has provided to the IHFA all of the certificates, documents and information required under Idaho Code Section 67-6210(k).
2. The Chairman and/or Director is hereby authorized and directed, for and in the name and on behalf of the ITB to execute the following bonding documents and any other documents required for the closing of the bonds setting forth the terms of the applicable series of bonds together with such additions or changes in the form thereof as may deem necessary or advisable, such approval to be conclusively evidenced by the execution of said bonding documents as so added to or changed.

Final Official Statement

Director

Supplemental to Master Financial
Agreement Chairman of the Board
and Director

Master Trust
Indenture
Chairman of the Board

Series Trust
Indenture
Chairman of the Board

Vice Chairman Sweeney acknowledged his historical opposition to the GARVEE Program. Although he is reluctant to commit the Department's future revenue to these projects and is concerned with the lack of funding for the various statewide needs, he acknowledged that GARVEE bonding can be a valuable tool.

Member Blick also expressed apprehension with committing funds for the GARVEE Program without additional revenue to address the growing backlog of needs throughout the state. GARVEE bonds provide funding for a very small percentage of the state's transportation corridors.

The motion passed 6-0 by individual role call vote.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 3:05 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
January 17, 2008
Boise, Idaho